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FINANCIALTIMES



WORLD NEWS Israeli police Tax cuts in clash at mosque

Israell police clashed with stone-throwing Palestinian protesters on Jerusalem's Temple Mount injuring at least 70, while the army killed another Arab in Gaza City.

Tear gas wafted into Al Agsa most and demonstrators out.

mosque and demonstrators out-side burned Israeli flags and

N-probe widens

Bonn officials and criminal investigators in several countries joined an inquiry into possible breaches of the Non-Proliferation Treaty by unclear transport company Transmiklear, Back Page

Fall-out stations

1.00

The Government is to announce plans next week for 80 monitor-ing stations to track fall-out in the event of a nuclear leak.

Argentina shooting

Army unrest resurfaced in Argentina as troops loyal to Index gaining 38 points to close President Raul Alfonsin were at 1,436.7, up 12.2 on the week. involved in a shooting incident following orders to arrest Lt Col Aldo Rico, leader of last Easter's rebellion. Page 2

Road deaths rise

A total of 1,400 people died in road accidents in Britain in the third quarter of last year - 3 per cent more than the corresponding period in 1986.

TARROVER bids, involutional period in 1986.

Divers honoured Five Royal Navy divers who

were recalled from leave to Page. search for victims of the Zee-brugge ferry disaster are to be honoured for their courage.

A 66-year-old woman from Bridgend died from meningitis. It was the first fatality in Wales during the current out-

Meningitis victim

Arms cache found

Three men were remanded in custody after the seizure of 64 rifles, 30 pistols and 150 gre-nades in County Armagh, Ulster. Brezhnev man iailed

The late Leonid Brezhnev's pri-vate secretary has been jailed for nine years for taking bribes while working for the late Kremlin chief.

Krushchev call ·

A Moscow journal published a call for Nikita Khrushchev to call for Nikita Khrushenev to be reburied with full honours with other leading figures at the Kremlin wall.

DUTCH Government plans to rescue aircraft maker Fokker are being held up by the European Commission. Page 10

TV scientist Dr Magnus Pyke RONALD LI, former chairman was punched and tied up by a of Hong Kong's stock exchange, raider at his London home.

16-wicket debut

Teenage Indian leg-spinner Narendra Hirwani became only the second bowler in Test history to claim 16 wickets in a debut match as India beat West

Ton marks for 81/2

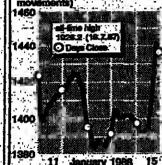
Producers and critics taking part in the European Year of Film and Television voted Fed-erico Fellini's 84 best European movie of the last 30 years.

Fairway to heaven

could total £5bn

borrowing target to zero in the March Budget because of higher-than-expected govern-ment revenues. Back Page EQUITIES rose in Loudon on news of the reduced US trade deficit, with the FT Ordinary

FT Index



Hong Kong creditors group, obtained a court order preventing full details of Thursday's vote on Nigeria's commercial debt rescheduling from being

TAKEOVER bids involving novel or highly leveraged financing methods might be permitted without full Monopolies Commission scrutiny under the revised mergers policy. Back

ing from Third. World debt two countries. The agreement, after two countries and make a \$117m (£65.8m) restructuring charge against fourth make profits. Page 18.

GRAND? Metropolitian, UK disher the Countries of talks, is the first with drawal of US forces from an allied country since spring 1966 with Canadian draws group. Seagram for French cognac house Martell with a final offer worth. FFr4.57bn (£457m).

Page 8

Three years, clearing the way referendum on continued members by not a defence pact between the Gonzalez called on voters to keep Spain in the alliance but promised there would be a substantial cut in the US military presence.

The withdrawal from Torrecon, which the US has strongly resisted, will cost hundreds of milions of dollars, although the eventual amount will depend on relocation.

ASSOCIATION of British Europe and which the US has stipulated that the US will not pay for the relocation of

week the acquisition of a large minority shareholding in financial services group Dumenil-Le-ble. Page 10

OLLAR	STERLING
lew York lunchtime:	New York hunchtime \$1.77
DM 1.68 FFr 5.665	London: \$1,777 (1.819) DM 2,9825 (2,9775)
SFr 1.87175	FFr 10.0625 (10.06) SFr 2.4375 (2.43)
Y130.45	Y281 75 (230.5)
ondon: DM 1.679 (1.687)	Sterling index 74.7 (75.2)
FFr 5.6625 (5.58)	LONDON MONRY

SFr 1.372 (1.3356) Y130.4 (126.7) Dollar index 95.1 (93.3)

NORTH REA OIL US LUNCHTIME BATES Fed Funds 61% % 3-month Treasury Bills: yield: 6.06%

Long Bond: 1007 yield: 8.86%

COLD New York: Comex Feb latest London: \$481.75 (482)

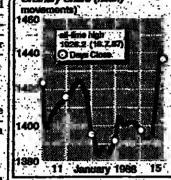
Austria Sci22; Bahrain Dis0.650; Bernanda S1.50; Belgiom. BFr48; Canada C\$1.00; Cyprus C20.75; Decmark DK-9.00; Egypt. E92.25; Finland Font/.00; France FFr6.50; Germany DM2.20; Greece Dr100; Hong Kong HK\$12; India Rup15; Indonesia Rp5.100; Insael HS3.50; Haly L1500; Japan V6.00; Jerdan FR.500; Kunalt. Fisc.500; Lebanon \$1.120; Lomentouring LFr48; Malaysia Ris4.25; Residen Pes.300; Morocco Dis.00; Rethertands F3.00; Morocco Dis.00; Pillipines Pes.20; Portugal Est.100; Saraida Ris7.00; Singapore S\$4.10; Spain Pta125; Syl Lania Rup30; Senting S\$6.700; Sentingenda SF9.202; Taiwan NTS85; Tuntined Bm2.50; Tuntis Dis2.800; Tuntis L500; UAE Dis5.50; USA \$1.00.

SELLING PRICE IN RELAND 600

BUSINESS SUMMARY

CHANCELLOE Nigel Lawson may be able to cut, taxes by \$4bm to \$6bm and reduce his

Ordinary Share (hourly



Stock market, Page 12

CONFIDENTIAL Recoveries.

BARCLAYS, second-largest UK bank, is selling its Californian retail banking business to leading California bank Wells Fargo for \$125m (\$70.3m). Back

MANUPACTURERS Hanover,

charges of accepting an unlawful advantage from the local subsidiary of leading Japanese construction company Kumagai Gumi. Page 3

CERUS, French holding com-tion rate in December to its pany of Carlo de Benedetti, is lowest level for 12 months, but expected to announce next an upturn is expected later this

HARRIS Queensway, furniture and furnishings group, sold its paint and walipaper retail chain Harris Home Charm for \$7.5m cash to stores group A G Stanley Page 8.

down to 3.7 per cent, the Department of Employment said yesterday. The figure compares with 4.1 per cent in November and a 1987 peak of 4.5 per cent in October. December's decrease in the

US golf fanatic Martin McDermott loved Ireland's Ballybunion course so much that he had his body flown over to be buried near the first tee.

TRUSTEE Savings Bank Group reported annual pre-tax profits of \$2275.5m in its first full year since flotation in September 1986. Page 8

MARKETS

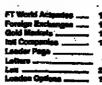
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LIAR	STERLING
w York lunchtime:)M 1.68	New York hunchtime \$1.77 London: \$1.777 (1.819)
Fr 5.665 Fr 1.87175	DM 2.9825 (2.9775) FFr 10.0625 (10.06) SFr 2.4875 (2.43)
130.45 ndon:	Y281.75 (230.5) Sterling index 74.7 (75.2)
OM 1.679 (1.687) Tr 5.6625 (5.58)	LONDON MONEY

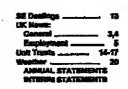
month interbank: closing rate 9% (8%)

STOCK INDICES

FT Ord 1.436.7 (+88.0) FT-A All Share 909.36 (+2.1%) FT-SE 100 1.786.7 (+48.3) FT-A long gilt yield index: High coupon: 9 61 (9.7) New York innchtime DJ Ind Av 1.956.84 (+50.78)







Editorial comment: In search of scape-

Kidnap victims in Beirut: Hostages to

Man in the News: Lord Young

more than ill-starred fortune

Dollar and shares rise sharply as US trade deficit falls

BY OUR FOREIGN AND FINANCIAL STAFF

soared in hectic trading on world financial markets yesterday after the release of official figures which showed that the US trade deficit had fallen to \$13.22bn (\$7.46bn) in November from October's record level of \$17.63bn.

Ten minutes after the figures become available the dollar had

became available the dollar had gained 4 prennigs and 4 yen in gamed 4 prenning and 4 yen in frantic currency market trading. Share prices took longer to react but after an hour the FT-SE 100 Share Index had risen by 33.5 points to 1,753.2. It closed 43.3 points up at 1,786.7.

In New York the Dow Jones Industrial Average jumped more than 50 points in the first hour of trading and then stabi-lised. The index stood at 1,967.67, up 51.56 points, at mid-session, but still well below the 2,051.89 close last Thurs-day before the market suddenly plunged 140 points 24 hours

Administration officials, however, pointed to other encouraging, economic news yesterday, reporting that wholesale prices dropped a surprising 0.3 per cent in December to take the gain for the year to a modest 2.3 per cent. Industrial production rose 0.2 per cent in December.

US exports increased 9.4 per cent to a record \$23.8bn in November. This was seen as firm evidence that the cheaper dollar had boosted American competitiveness in world mar-The US Commerce Department reported that the trade deficit dropped from October's declined by \$2.4bn, or six per record \$17.6bn to \$13.2bn,

THE DOLLAR and share prices soared in hectic trading on world financial markets yesterday after the release of official figures which showed that the US trade deficit had fallen to \$13-22bn (£7.45bn) in November decline since 1983, strength in US exports.

The White House, which has sought vainly for six months for signs of a turnaround in the trade deficit, welcomed the improvement and dismissed the ber from October's record level of £17.63bn.

The White House, which has sought vainly for six months for signs of a turnaround in the trade deficit, welcomed the improvement and dismissed the October record as an "aberration".

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improvement and dismissed the October record as an "aberration".

Other US officials were more cantious. The US Commerce \$6.86m in October. The trade \$6.86m in October. The trade \$6.86m in October. The US and west-said that the 1987 trade deficit would still be a record - at least \$170bn.

Administration officials, however, pointed to other encouraging economic news yesterday, (\$1.35m).

Even the deficit with Japan fell sharply to \$4.85bn, down from \$5.86bm in October. The US and west-ern Europe narrowed to \$2.41bn compared with \$3bn in October. The deficit Canada, the US's largest trading partner, dropped to \$1.25bn (\$1.35bn).

(\$1.33bn).

Even the deficit with South East Asian, newly developing countries, such as South Korea and Taiwan, fell. Washington has attacked both countries for their aggressive trading practices and undervalued currencles, but the shortfall with Korea narrowed to \$760m (\$1.02bn) and with Taiwan to \$1.21bo (\$1.78bo).

The trade figures dominated number of Labour MPs — about 190 from a total of 229 — who turned out to vote on a Friday without whips' formal encouragement. Labour estimated that the Government's whipping had added 20 to the number supporting the bill. The determined stance of the bill's sponsor, Mr Richard Shepherd, Conservative MP for Aldridge Brownhills, in refusing to bow to Government pressure to

The trade figures dominated Continued on Back Page Too good to be true, Page 2; Editorial comment, Page 6; Lex, Back Page

US to withdraw forces from key base in Spain

THE US yesterday bowed to drawal from Torrejon as the pressure from Spain's Socialist price the US would have to pay Government and agreed to for use of other military facili-withdraw its forces from Torre-ties in Spain. jon Airbase near Madrid within three years, clearing the way for a defence pact between the

MORTGAGE RATE cuts helped reduce Britain's annual infla-tion rate in December to its

down to 3.7 per cent, the Department of Employment

December's decrease in the annual rate, the largest fall since April 1986, was doe mainly to interest rate cuts in the wake of October's stock market crash. Housing costs, including mortgage repayments, fell 1.6 per cent in December.

The figure was alightly better than forecasts by most independent economists but matched the Treasury's prediction of an inflation rate of less than 4 per cent by the end of less than 4 per cent by the end of less tyear.

However, inflation is likely to

The Liberal-SDP merger negotiations:

The men who went out into the cold .. 6

The problems of County NatWest: Trying to march with big battalions ... 6

ties in Spain.
At the time of the Spanish

referendum on continued mem-bership of Nato, in 1986, Mr

Mortgage cuts helped reduce

Prices & Taxes Change over previous year

RPI

TPI

the Treasury's prediction of an inflation rate of less than 4 per cent by the end of last year.

However, inflation is likely to rise this year as earnings continue to increase and push up unit labour costs. Possible interest rate increases, due to increases and push up unit labour costs. Possible interest rate increases, due to currency movements, could also rise to a peak of 4.5 per cent by the end of the year.

However, are confident that relatively strong growth in the compared with 101.5

Latest statistics show that britain's inflation rate of 4.1 per cent in November was inflation. The Government is predicting that inflation will in the Organisation for Economy, combined with productivity increases, will moder at the expected upturn in per cent in November was inflation will in the Organisation for Economy. Co-operation and Development. Io the same month, the inflation rate was 1.0 per cent

currency movements, could also rise to a peak of 4.5 per cent by push the index upwards.

Figures published earlier in the week showed an acceleration in the pace of earnings day urged wage negotiators to Japan and 4.5 per cent in the growth in November to 8% per note the currency movements, could also rise to a peak of 4.5 per cent by nomic Co-operation and Development. In the organisation for zero price to grow the inflation rate was 1.0 per cent in Germany, 0.4 per cent in the growth in November to 8% per note the currency low rate of US.

inflation rate last month

4%

3%

2%

previous bilateral pacts, and is likely to be signed by May 14, the present agreement's expiry date. Talks will begin in Madrid on February 3.

inflation. He said modest settle-ments were vital to the success of the Government's economic strategy and to further cuts in unemployment. "If taxes and National Insur-

ance charges are taken into account, gross earnings need only to have risen by 1.9 per cent last year to have maintained living standards," he

December's figures show

price falls for motor vehicles and petrol. There were signifi-cant increases in seasonal food,

clothing and footwear prices

but prices for leisure services, alcoholic drinks, fuel and lighting went down.

The all-items Index of Retail Prices stood at 103.3 (Jan 1987=100) in December compared with 103.4 per cent in November. The Tax and Price Index, which takes into account taxation as well as prices, was

cent a year. This suggests the gap between earnings and prices growth is widening and could reawaken fears of overheating in the economy.

However, many independent taxation as well as prices, was economists are confident that relatively strong growth in the

ASSOCIATION of British Europe and which the US has not pay for the relocation of the airwing in Europe. The US will be allowed to keep forces at two other Spaniast year. Page 4

ZINC producers in western Europe Increased their prices from \$860 (£484) to \$830 a tonne: Page 10

DUICH Government plans to

Tories survive revolt over secrets reform

THE GOVERNMENT yesterday survived the biggest Conserva-tive revolt of this parliament when it defeated a backbench attempt to reform the Official Secrets Act.

However, even supporters of the Government's stance were critical of its unprecedented decision to impose a three-line whip on a private member's bill. Nineteen Tories voted bill. Nineteen Tories voted against the Protection of Official Information Bill, which was defeated by 271 votes to 234 – a majority of 37. Including abstentions, at least 50 members rebelled.

The size of the Tory revolt was matched by the remarkable number of Lebour MPs – about 190 from a total of 229 – who

bow to Government pressure to withdraw the measure had already secured the pledge of a White Paper on secrets reform

white Paper on secrets reform in June.
Yesterday, Mr Douglas Hurd, the Home Secretary, promised MPs "early" legislation – interpreted as hinting at a bill to be included in the Queen's Speech for the 1988-89 session of par-

liament.

However, Mr Merlyn Rees, the former Labour Home Secretary who produced a White Paper in 1978, said it would be difficult for Mr Hurd to produce a bill so quickly on such a complex subject, "even if he were the Archangel Gabriel."

Mr Hurd agreed with the

Mr Hurd agreed with the bill's supporters that Section 2 of the 1911 Official Secrets Act, on February 3.

A joint statement said there would be military or economic aid in credits and grants in the new agreement and that educational, cultural, scientific and technological co-operation, previously part of bilateral pacts, would form part of a seperate agreement.

In recent years Spain had been receiving well under the \$400m (£219.9m) a year in soft credits for military purchases that the bilateral pact had allowed for, and direct grants

of the 1911 Official Secrets Act, which prohibits the unauthorised disclosure of any official information, however trivial, "has no defenders."

The bill proposed abolishing Section 2 and replacing it with provisions defining categories of information where disclosure would be illegal. It also proposed abolition of the offence of receiving official information, and provision of oew defences for disclosure on the grounds of public interest and of prior disclosure by another.

Mr Hurd reminded MPs that a

Mr Hurd reminded MPs that a Government bill based, like Mr Rees's White Paper, on the 1972 report of the Franks Committee, had failed in 1979. He said ministers had started a "thorough and deep" review of the act in April 1987 and he appealed to MPs to wait until the Government had fully thought-out proposals to put before the Commons.

He described as "dotty" the

suggestion that the Government would bring forward a "tyran-nical tightening" of the Official Secrets Act. "That would mean

Secrets Act. "That would mean having no regard to the Franks Report, no regard to the debate in 1979 or the debate on this bill. It would hardly be sensible for us, after all that has happened, to suppose that either honse of parliament would accept such a measure."

Mr Hurd and Mr Michael Hesekine, the former Conservative Defence Secretary, who led backbench support for the Government, extended an olive branch to Mr Shepberd by

ernment, extended an olive branch to Mr Shepberd by assuring him that he succeeded in concentrating the Government's mind on the need for reform and in securing assurances about the timetable.

However, Mr Heseltine joined supporters of the bill in criticising the imposition of a three-line whip. He said it would give ammunition to those who accused the Government of would give ammunition to those who accused the Government of being authoritarian and would strain backbenchers' loyalty.

In an emotional summing-up in a packed and subdued chamber, Mr Shepherd rejected the Government's arguments, indicating that his meetings with ministers — including one with the Prime Minister on Thursday — had not given him confidence

 had not given him confidence in the Government's intentions. In particular, he feared the Government would return to its 1979 proposal to leave the selection of information to be kept secret to the sole discretion of ministers. He had also sought assurances that a person accused uoder the new law would be able to argue that a matter was so serious that dis-closure was in the public inter-

Mr Roy Hattersley, the shadow Home Secretary, rejected Mr Hurd's arguments. He said the Government's behaviour in recent secrecy cases proved it could not be trusted to review the law in a resemble warr.

reasonable way.

He echoed the argument by Mr Edward Heath, the former Conservative -Prime Minister, that the complex subject of official secrety was ideal for discussion by all MPs. Mr Heath said back-benchers had more expertise on secretizing matters. expertise on security matters than the Cabinet. the 30-year rule on disclosure of cabinet papers to be eased,

arguing, to laughter: "I am beginning to realise that there is a period of history through which I lived about which I Former ministers who defied the whips and voted for the bill included Mr Heath, Mr John Biffen, former Leader of the House, and Sir Ian Gilmour.

Debate, Page 4

WEEKEND



GAITSKELL

At the end of the 1950s, Hugh Gaitskell warned that the Labour Party had to adapt to changing social trends in order to survive. Peter Pulzer argues that those lessons still hold true for the "Gaitskell's orphans" of today

Page I FINANCE Winners and losers so far

in the 1988 FT Great Investment race Page V

Skiing in Morocco: not such an unlikely option Page VIII

TRAVEL

PROPERTY Women take the lead in the house building industry Page X

BALD FACTS

Keeping your hair on when all around are losing theirs Page XVII

SURVEY

Personal planning for retirement and pensions Pages XIII-XV

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MANAGEMENT CONSULTANTS Odgers and Co Ltd, One Old Bond St.

Pretoria eases foreign debt service rules

MR BAREND DU PLESSIS South Africa's finance minister has further relaxed restrictions on repatriation of foreign debt principal psyments. Such paymentswere stopped in 1985 by a government moratorium.

Foreign bank creditors are to

be allowed to use repayments of principal caught in the net of exchange controls to buy local equity or property. Also, they may send such funds abroad through the financial rand market

The move is the most signifi-cant in this sector for South Africa since early last year when the government reached agreement with foreign creditor banks oo a three-year pro-gramme of partial debt repay-

in September 1985, a foreign exchange crisis, exacerbated by divestment, led South Africa to re-introduce a dual currency system and to declare a morato-rium on repayment of princi-pal(but not interest) on \$14bn of maturing short-term debt.

At currect exchange rates, foreign banks would stand to lose about one third of the value of their payments if they were to send their funds abroad through the financial rand. Yesterdsy afternoon, before the minister's annuncement, the new arrangements. Even so, the new arrangement has so, the new arrangement has the advantage of allowing the banks to repatriate blocked interest payments immediately. For South Africa, the advantage is that repatriation through the financial rand does not involve a loss of foreign and the south of the new arrangements. Even so, the new arrangements. Even so, the new arrangements are payment agreements.



du Plessis: Advantages

currency service receipts into rands at the commercial rand exchange rate to boy South
African assets. They will only
be allowed to sell them to other
non-residents at the financial

rand exchange rate.

Any conversion will be irreversible and foreign creditors no longer entitled to further repayments in terms of debt repayment agreements. Even

commercial rand was quoted in Johannesburg at \$0.51 and the financial rand at \$0.33.

Foreign creditors will be obliged to convert their foreign ments.

Angolans 'battle' 6,000 S Africans

by the official Angolan News Agency, said "violent clashes" were taking place east of the town, the Angolan govern-ment's main forward position in Cuando Cubango province.

South Africa announced in

December it was withdrawing its forces from southern Angola, after one of its biggest military interventions in the country's 12-year-old civil war. Angola's government alleges that South African troops are still deep inside Angola, attackgovernment positions and near Unita strongholds

south African soldiers, backed by artillery and armoured vehicles, around the strategic south-eastern garrison town of Cuito Cuanavale, Renter reports from Luanda.

The Defence Ministry, quoted by the official Angolan News edly explained and therefore the army has no further com-ment," he added.

The fall of Cuito Cusnavale to South African troops or Units would be a big blow to the Angelan government, which

the Angolan government, which has fought the rebels since Angola gained independence from Portugal almost 13 years

ago.
The garrison town has been shelled and bombed for the last 10 days. It has one of the best airfields in the region and is

providing support for Unita movement rebels led by Mr Jonas Savimbi. Angola claims the South Africans remain in spite of a UN Security Council to help South Africa establish a resolution that calisfor an corridor of control deep in cen-immediate South African with-tral and north Angola.

War-torn Mozambique expects faster growth

MOZAMBIQUE, although devastated by an unrelenting civil war, is expecting further economic growth this year as it pursues a radical programme of reform supported by western donors, according to Mr Abdul Magid Osman.the Finance Minister.

Officially Marriet-Laminist in consumer subsidies.

Officially Marxist-Leninist, Mozamblone has followed the Soviet Union in emphasising the importance of reforms to its centrally planned economy. State paternalism, Mr Osman said in London on Thursday night, was on the way out.
"I think we have at least

managed to change the mentality of the people, he told a news conference. "The people have to take care of them-hoping to themhave to take care of themselves. They have to fight for it
if they want to live better... We
have to give more freedom to
enterprise."

hoping to persuade the government to follow Italy and allow
Mozambique to pay interest on
lts bilateral debt at concessional rates as low as 1.5 per

The performance of industry and small farms has improved dramatically, but progress is overshadowed by famine and by the war against the rebels of the Mozambique National Resistance. Military spending devours well over a third of the

While in Britain, Mr Osman is Mr Osman predicted that cent. With export earnings of Mozambique's real gross domestic product would grow 6 per cent in 1988, after growth of 4 per cent last year and an eign debt are unmanageable.

Iran poised for big attack on Iraqi front

By Our Middle East Staff

IRAN said yesterday its forces were polsed to launch a ground offensive against Iraql defensive posi-tions along the full length of the war front.

Mr Ali Akbar Hashemi

Rafsanjani, Speaker of Iran'e Parliament and chief war spokesman, indicated that the Islamic Republic may have abandoned any restraint exercised recently ont of respect for Syria's diplomatic initiative aimed at bringing about a dialogue between Tehran and the Gulf Co-operation Council.

Iran started a large-scale mobilisation two mooths

Iran started a large-scale mobilisation two mooths ago and is reckened to have massed several hundred thoneand men on the southern front near Basra. "Moet Iraql provinces from Duhok (on the Turkish border) to Fao (on the Gulf) are exposed to attacks by our forces," Tahran Badio quoted him as saying yesterday at the Priday prayer meeting at the university. Iran has agreed "in principle" to talks with the GCC—which groups the conserva-

which groups the conserva-tive Arab states of the region – a senior official in the United Arab Emirates

said this week. In his address, however, Mr Rafsanjani warned them to stop backing President Saddam Hussein of Iraq and "come to the side of justice

before it is too late". At the same time renewed At the same time renewed momentum in the tanker war continued to build up as Iranian gunboats raked the Igloo Espoo, a Norwegian liquid petroleum gas earrier, off the coast of Dabai.

The 13,524-tonne vessel The 13,524-tonne vessel was carrying a highly inflammable cargo of vinyl ehloride ehemicale from Dubai to South Korea. But a epokesman for Havtor Management A/S, the company managing it, said the engine room had been holed in two places but a fire had been, extinguished. Two members of the crew were slightly of the crew were slightly

of the crew were alignity injured.

The attack followed two overnight Iraqi attacks on shipping along the Iranian

Syria urges Genscher to condemn Israel

WEST GERMAN Foreign Minieter Haus-Dietrich Genscher began a visit to Syria yesterday as Damas-cas urged a firm European etand in support of a Mid-dle East peace conference, Reuter reports from Damas-

Bonn downgraded its rela-tions with Damascus after Syria was implicated in a bomb attack in West Berlin. On arrival Mr Genscher eald: "We highly admire President Hafez al-Assad's role in the region and it is important to exchange views with Syria on the Middle East conflicts."

He said discussions would cover Middle East issues, the Iran-Iraq War and other

west German officials said Mr Genscher would discuss efforts to tree foreign hostages in Lebanon, including a West German.
Syrian Foreign Minister Farenq ai-Shara eald he would tell Mr Genscher Europe should adopt a clear and meeting stand condemn.

and specific stand condemn-ing Israeli policy in the region and chould prese Israel and the US to accept a Middle East peace conference. Mr Shara eaid the visit was important in view of

West Germany's role in conducting a dialogue between East and West. Bonn also chaired the Enropean Commonity and Mr Genschar could speak for it on the Middle East and Gulf War issues.

Anthony Harris puts a damper on euphoria over the US November trade figures

US trade results 'too good to be true'

STATISTICAL analysts, who. will tell you that it is no colder in winter than in summer, seasonally adjusted, usually throw a normative wet blanket over the news. However, the US November trade figures have

November trade figures have them excited.

"This looks like the turning point," says a foreign trade specialist at the US Bureau of the Census. Wall Street economists sound even more confident, and with some reason. Seasonal factors would usually produce an improvement of \$1bn to \$1.5bo between October and November. The actual improvement in the new figures is \$4.4bn, well above even the most optimistic forecasts.

Yesterday's rise in the dollar in responee to the improvement in the US trade deficit in November

improvement in the distract deficit in November will provide only a brief respite for the US currency, a leading academic economist said yesterday, reports Philip Stephens.

Mr Rudiger Dornbusch, Professor of Economics at the Massachossetts Institute of Technology, said redocing the US current account gap to a sustainable level would require a further 15-20 per cent devaluation in the dollar's real, or cost-adjusted, exchange or cost-adjusted, exchange

That in turn might imply substantially larger devaluations in nominal terms against the Yen and the D-mark, with a depreciation. against the Japanese currency of perhaps 30 per

speaking in London at a meeting organised by the Centre for Economic Policy Research, Mr Dornbusch said that the fall in the dollar's value since 1985 would lar's value since 1985 wo reverse only perhaps a third of the US deficit. The impact on the trade position of the dollar's car-

exacerbated by a manistructural changes in the world economy - the Latin American debt crisis, the rapid industrialisation of countries like South Korea and Talwan and shifts in US

and Taiwan and shifts in US consumer preferences.

Those factors, combined with the shility of Japanese exporters to hold down their prices on the US market, meant that a combination of a further dollar and substantial reductions in the US budget deficit would be needed to close the trade can from 1983 anywards. gap from 1988 onwards.

all the same, euphoria is not a reliable guide to economic events. It should be pointed out at once that while the October figures were too had to be true, the November figures may be too good to be true. Monthly pendulum swings are a normal feature of trade statistics, since the early or late arrival of a single valuable shipland can bend the trend.

There are what look like abnormalities on both sides of the November account. Exports are more than 29 per cent up on the same month in 1986. This

will be far firmer now that the October nightmare has faded, and central banks may even have a chance to cash in some of their recent intervention at a profit. A stable dollar means that the remarkable volume trends of 1987, when exports were growing more than 10 percent faster than imports, will come through in the sash figures. This change could be worth about \$2bn a month

The fact that the trade figures are turning about be no surprise to most economists; all the reputable forecasts show an improvement in 1988. What the new figures suggest is that the improvement is likely to be relatively high in the range of available forecasts, cutting the merchandise gap from its expected \$1700n-plus in 1987 by \$40hn or more.

US economic growth might also, for once, match the Administration'e hopes. Virtually the entire improvement in exports is due to the revival in manufacturing, and the boom looks more and more reliable. The two big unknowns are whether there is enough capacity to keep the growth rate up, and how consumers will behave.

Bush secures decisive Michigan victory

BY LIONEL BARBER IN WASHINGTON



BY DAVID GARDNER IN SAN JOSE, COSTA RICA .

THE SUMMIT of five Central willing to negotiate a censefire

American presidents, called to directly with the US-backed decide the fate of the peace Contra rebeln, which they have plan they agreed last Angust, always said they would never opened in an stmosphere thick do and which the peace agreewith mutual recriminations yes ment does not oblige them to terday. But all hinged on new do.

ruling Sandinistas might be pre- Oscar Arias of Costa Rica, the

pared to make.

President Daniel Ortega, called in a letter to Mr Ortega though expected to reply to the criticism aimed at Nicaragua cover the past week by Washington and its allies in the region, This was a clear attempt to did not reveal on arrival here what, if any, proposals he planned to make.

There have been indications to schieve a cease-fire in the region's civil wars. This was a clear attempt to push the Sandinistas beyond the letter of their commitments. Senator Christopher Dodd of the US. who has led Congression.

There have been indications the US, who has led Congressio-that the Sandinistas may be nal opposition to further US

AMID walk-outs, lock-outs and general chaos, Vice President George Bush has scored a potentially decisive victory in Republican presidential voting

in Michigan.
With most of the votes tallied, Mr Bush appeared yesterday to have won just under two
thirds of the delegates chosen for a state party convention which will select Michigan's 77 delegates to the Republican national coovention in New

national coovention in New Orleans in August.

Mr Bush's Republican rivels - the former television preacher Mr Pat Robertson and Congressman Jack Kemp of New York - finished a distant second and third respectively. But their supporters intend to mount legal challenges to the selection legal challenges to the selection rules which isvoured the Vice President.
Michigan is the first state to

Central America waits on Nicaragua

voting this year.
On Thursday night, Kemp and Robertson backers set up their own rival or "rump" gatherings of local Republican officials.
The tallies in these two dozen

The tallies in these two dozen meetings were not included in the overall balloting.

At one meeting, at Elmer's Steak Pit in a Detroit suburb. Bush supporters, included the Vice President's son Marvin, chained they were ejected by the Kemp-Robertson camp. One leading Republican described the scenes as "the controllert of the scenes as "the equivalent of

money for the Contras, said that Nicaragoan Vice-President Sergio Ramirez informed him this week in Managua, "we haven't made a final decision

yet on face to face talks with the rebels.

According to Mr Alfredo Cesar, a senior Contra leader, President Vinicio Cerezo of

Guatemala is likely to put for-

ward a plan, proposed by Nicaragua's internal opposition parties, for tripartite talks among themselves, the Sandi-nistss and the Contras, to start

in Costa Rica after the summit.

Mr Ortega said all five states had mandated an International

presidential campaign. Yet the Robert Dole of Kansas, Mr internecine warfare over dele-Alexander Haig, the former US gate selection rules waged between supporters of Messrs Bush, Kemp, and Robertson has governor, chose not to take part destroyed local hopes that the state could be a trend-setter in Dole, viewed as the chief rival to the front-runner. Mr Bush, is to the front-runner, Mr Bush, is judged to have benefited by focussing his energies on the first clear-cut vote next month in Iowa where is leading the

Vice President in local polls.
However, the Dole campaign took a blow yesterday when a top campaign aide stepped down amid controversy over

Steak Pit in a Detroit suburb, down amid controversy over. Bush supporters, included the Vice President's son Marvin, claimed they were ejected by Dole backer, served as a consultant of the Kanbeading Republican described the scenes as "the equivalent of Beirut."

The three other Rapublican described that the subject of press scrutiny.

media in Washington, and con-clude that, after Costa Rica, the

region's only traditional liberal democracy, Nicaragua has com-plied most extensively with the

agreement's democratisation and peace measures. Honduras, from where the Contras wage their war on Nicaragua, had complied least, according to the

EC probes

plastic film

By William Dawkins in Brussele.

country. This is the sixth anti-dumping

This is the sixth anti-dumping investigation of South Korean exports to the Community opened during the past year, and comes in response to complaints by Rhone Poulenc of France, ICI of the UK, Hoechst of West Germany and dn Pout de Neumoeurs, the Linembourg offshoot of the US chemicals group. They claim that Seath

group. They claim that South Korean exporters of high-qual-lty polyester film have been charging less in the EC than on

S Korean



human rights NOBEL Peace Prize winner Sean MacBride has died at his Dublin home aged 83, his fam-ily announced yesterday, Res-

Mr Macbride won the prize in 1974 for his human rights work and had the rare distinction of also being awarded the Soviet equivalent, the Lemin Prize in Verification Commission — made up of the Contadora Group nations, the UN and the Organisation of American States — to decide this, He then Mr Charles Haughey, the Irish Prime Minister, said Mac-States — to because the positive conclusions on Nicaragua.

The commissions's findings

Bride had been "a statesman of have been circulated to news listened to with respect all Mr MacBride, hononred by both East and West as a champion of peace, began his career as a man of violence, taking arms to fight with the Irish

Republican Army for indepen-dence from Britain. By 1935, he had become IRA chief of staff.

He later became a prominent
jurist, Irish foreign minister
and a leading campaigner for

human rights.

From 1974 to 1976, he was
United Nations High Commissioner for Namibia (South West
Africa), which South Africa
rules in defiance of the UN. He then became chairman of an international commission on communications which was charged by the Unesco with examining the objectivity and independence of the media.

He attacked what he saw as the excessive influence and power of the rich world's media on international affairs.

Mr MacBride also helped found Amnesty international, the human rights organisation which campaigns on behalf of prisoners of conscience around the world. In awarding him the Nobel

Peace Prize in 1974, the com-mittee praised the Irishman's "efforts to build up and protect human rights all over the world."

Lisbon prices rise at 9.4%

PORTUGUAL'S inflation rate last year was 9.4 per cent, slightly above the target of 8 per cent, the National Institute of Statistics said yesterday, writes Disma Smith in Lis-

Rising consumer spending, as confidence grew in Portugal's new status as a member of the new status as a member of the European Community, and persistent monthly rises of more than 18 per cent in clothing prices despite official warnings to manufacturers made it clear by mid-year that the 8 per cent target was overambitious.

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US rejects Soviet call on SDI nuclear arsenals by 50 per cent. President Ronald Reagan and Soviet leader Mikhail Gorba-

Soviet arms proposal calling for compliance with the anti-ballis-

compliance with the anti-ballistic missile treaty, saying it was aimed at crippling the American "Star Wars" anti-missile defence project, Reuter reports from Geneva.

Mr Terry Shroeder, US arms delegation spokesman said the Soviet offer was a "renewed attempt to achieve positions that we previously rejected".

Mr Alexei Obukhov, leader of the Soviet delegation, outlined the offer to the US team during a special negotiating session at

He said the offer, in the form of a draft protocol, called for

chev have agreed in principle to such reductions, limiting each side to 6,000 atomic warheads

and 1,600 launchers.

But Mr Gorbachev has linked such cuts, Mr Reagan's arms control priority, to curbs on "Star Wars".

A US decision to produce a • A US decision to produce a new generation of chemical

wespons could hurt efforts to bun all such arms, a Soviet official said yesterday.

Zinc producers lift price \$30 a tonne by Kenneth Gooding, MINING COMMESPONDENT

living since New Year's Eve.

Argentine troops turn

BY OUR BUENOS AIRES CORRESPONDENT

two children:
Mr Barreiro, who with Col him replaced.

out as rebel leader flees

MOST OF Western Europe'e the West German group Metalizinc producers announced yesterday they were immediately lncreasing the price of the metal from \$860 to \$890 a sag of West German group Metalizinc possible from \$100 to \$20 to \$20

ordinary brand zinc in November from \$820. Traders suggested yesterday that the latest increase was primarily caused by strong demand from the galvanised steel industry - by far the largest user which takes about one-third of zinc output.

Ity polyester film have been charging less in the EC than on their home market.

Sales of South Korean polyester film in the EC multiplied five-fold in the two years to 1986 to reach Ecn 10m (£108.7m).

ARMY unrest resurfaced in Argentina yesterday as troops loyal to President Rsul Alfonsia were involved in a shootlog iocideot following orders to Col Rico had been imprisoned. iocideot following orders to Col Rico had been imprisoned arrest Lt Col Aldo Rico, leader in the military school of Lemos, arrest Lt Col Aldo Rico, leader of last Easter's military rebellion.

The army chief General Dante Caridl ordered 22 tanks, 12 other vehicles, and 150 men into Buenos Aires early yesterday to arrest Col Rico, but he disappeared raysteriously from the mansion where he had been living since New Year's Eve.

In the military school of Lemos, at Campo Mayo, 30 km from a Campo Mayo, 30 km from two sawalting trial by a military court for having led about 200 officers in a rebellion against their generals.

The rebslitant forced Mr Alfonsin to press Congress into approving a law which exempted 400 military officers approving a law which exempted 400 military officers from trial for violations of A few minutes after Col Rico human rights during the last supposedly left the mansion, dictatorship (1976-1983).

Journalists in the area heard The rebels also demanded the shats. Col Rico's spokesman, ousting of the Commander in ex-Major Ernesto Barreiro, said later Col Rico had been hurt in the shooting and forced to leave in order to protect his wife and two children:

M. Barrairo who wish Col him replaced by Gen Caridi and want him replaced.

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ON SUNDAY 17" JAN AT 3-00PM

and a similar superson program in the

FEW PRODUCTS of the drug industry have had a greater impact on Western civilisation

in the past two decades than

tranquillisers. Medications to

soothe the nerves are taken routinely by millions of people worldwide, with annual expenditure on these products running to roughly £1 bn.

Tranquillisers, most of which

are based on a class of chemi-cals called benzodiazepines.

have also been highly contro-

Benzodiazepines have several unpleasant side effects, one of

which is to cause addiction mong many who have taken

them for longer than a few

Ex-chief of Hong Kong stock exchange charged

chairman of Hong Kong's stock January 2, said further investiexchange, appeared in court gations were underway involvyesterday charged with accepting the charge and "other in yesterday's charge with a dvantage related matters". They said issued to a Mr Zee Kwoh Ki

was charged under Hong Kong's prevention of bribery ordinance with accepting an advantage—namely a beneficial interest in 1 Im Kumagai Gumi (Hong Kong) shares without lawful authority or reasonable excuse.

The shares issued in the long former successful.

authority or reasonable excuse: es one of the most successful. The shares, issued in the Its offer of 67m shares was name of a former member of more than 200 times oversubthe general stock exchange scribed. Bidders lucky enough committee at the time of the to get shares at the issue price public flotation of Kumagai of HK\$2.50 found they were Gumi's Hong Kong subsidiary in priced at almost HK\$4.50 when May last year, were allegedly an inducement to show favour stock market.

from the local subsidiary of the additional charges may be laid leading Japanese construction before the high court in April.

Mr Li, in black suit and red extended, and he was asked to tie, stood expressionless as he place travel documents with

an inducement to show lavour to the Kumagai issue.

Mr Li made no plea, and was Kong have complained that new intend to committed for trial on April 14. Prosecutors for the Independent Commission Against Corlection of the Independent Commission of the Independent Commission of the

MR RONALD LI, the former ruption, who arrested Mr Li on gains to those lucky enough to

The 1.1m shares referred to in yesterday's charge were issued to a Mr Zee Kwoh Kung at HK\$2.50 a share - the same as the flotation price - but Mr Li is alleged to have been the beneficial owner. Mr Zee is a long-standing associate of Mr Li, sitting alongside him on the stock exchange committee.

Mr Zee was one of the committee members asked to distance themselves from the running of the exchange when Mr Li was arrested with two other stock exchange executives on January 2.

Kumagal Gumi executives were tightlipped yesterday about the charge. In theory they can be charged too, but there have been no indications that government prosecutors intend to do this. The compsny's share price also remained steady on the news, at just over steady on the news, at just over

Sri Lanka bank staff protest

in six of the island's nine province in the cost of living index, and increases for the cost of living index, and the cost of

N Korea agent admits blowing up jet

SOUTH Korea yesterday threatened "all possible forms of retaliation" against North Korea after a young woman discourage foreign countries a communist agent and had blown up an airliner with 115 people on board, Renter Kim Hyon-hui, 26, said she helped plant the bomb on a Seoul-bound Korean Air Lines jet on the direct orders of Kim Jong-ll, son and heir apparent sponding retaliatory measures, wong said he had called an emergency meeting of top military countries from taking part in the Olympic against the enemy".

A top South Korean intelligence official sald the North Korean agent boarded the doomed plane in Baghdad with a partner. They got off at the plane's next stop in Abu Dhabi.

The aircraft vanished a few hours later over the Andaman

Communists extort \$1m in Philippine election

By Richard Gourtey in Mania

PHILIPPINES Communists are cashing in on next week'e local elections by didatee for safe conduct

The price demanded by the banned Communist Party's umbrella organisation, the National Democratic Front, in Sorsogon province, for instance, is \$12,500 for a candidate for governor, according to Mr Bonifacio

according to air Bonizacio Gillego, a Congressman from the region. In return the NDF issues a pass, printed with its flag and logo, stating that the candidate is "allowed to campaign". Estimates from Sorsogon

suggest the rebels may have raised close to £1m. A similar picture, with varying prices for the passes, is emerging from other prov-inces in Luzon, the coun-

inces in Luzon, the country'e largest island.
Senior military officers have accused the NPA rebels of killing 82 candidates and party helpers eince campaigning began for the 160,000 posts up for electionary learners.

tion on January 18.

Military spokesman say
the NPA has never so systematically squeezed candidates. At least one field
goneral has said he will bring charges against candi-dates who he can prove to have given the rehels

Much of the money is likely to be used to hay guns and ammunition for the 20-year long insurgency. Frequently, these arms are hought through the back doors of military camps from underpaid soldiers. A senior Communist Party

official in Manila confirmed that each region had been left to make alliances with candidates or extort money as local conditions dictated. He suggested that dealings between officials and the NPA continue after the elections, though on a reduced

scale.

• An unidentified gunmen triod to kill the French Ambassador to Manila, Mr Jacques Le Blanc, late on Wednesday in what the French embassy said was a calmly planned ambush. A gunman fired from

bullet resistant car as be

Valium (Hoffmann-La Roche) Xanax (Upjohn) Ativan (American Home Product) Tranxens (Abbott/Sanofi) Librium (Hoffmann-La Roche) Dalmena (Hoffmann- Le Roche) Lexotan (Hoffmann- La Roche) Hypnoval (Hoffmann- La Roche)

Peter Marsh on an attempt to improve controversial drugs

Soothing tranquilliser anxieties

World Tranquilliser Market 1986

Total £1bn

months. In Britain alone it is estimated that Im people are addicted to benzodiazepines. Bristol-Myers, the US pharmaceutical company, hopes to improve the image of the drug with a new type of tranquilliser called Buspar, which is to be formally launched in Britain next week. Buspar is claimed by its mak-ors, with some support from the wider medical community, to be a much "cleaner" drug

about \$25m a year, mainly in the US. That is thought to be than the benzodiazepines, the best known of which are Val-ium and Librium, both made by F. Hoffmann-La Roche of Switzbelow the company's expecta-One marketing problem is related, ironically, to the defects of benzodiazepines. Buspar is said not to cause Because of the addictive charaddiction nor to produce other alarming side effects such as acteristics of these drugs, doc-

tors find it difficult to switch long-term users to other medidrowsiness, incontinence, night-mares, libido changes and hypertension often associated with the benzodiazepines. A person taking a Valium-A person taking a Valium-type substance feels at least thopes for a good reception for the drug in Britain, according to Dr Brian Kane, managing director of the company's UK aubsidiary. The medication, which can be obtained only oo a doctor's prescription, is

already on sale in West Germany, where it was launched in 1985, and in the US, where it became available just over a year ago.

For all the drug's technical merit, sales are unlikely to take improvements on barbiturates, off drugs are available of the drug among doctors in Britain. This is in contrast to the much more aggressive, and controversial, publicity material the company sent out on the launch of Buspar in the US. This suggested the drug was a sale deep elegant of drugs are an elegant of drugs are all the company sent out on the launch of Buspar in the US. This suggested the drug was safe enough to be used by alr year ago.

For all the drug's technical merit, sales are unlikely to take off quickly, according to observers in the industry. Although Bristol-Myers will not discuss sales of the drug, they are believed to be running at about \$25m a year, mainly in the large quantities.

Only during the 1970s, after a quickly withdrawn after Bris-

Only during the 1970s, after a number of big companies, including Upjohn and American Home Products of the US, had joined the rusb to sell benzodi-azepines did the magnitude of their side effects become clear.

There is now a general swing in the medical profession to reduce tranquilliser prescrib-ing, according to Dr Cosmo Hallstrom, a consultant psychi-atrist at Charing Cross Hospi-

that Buspar should not be hailed as a wonder product. Prof Lader says, however, that the product may give doctors greater flexibility to prescribe tranquillisers for relatively short periods without fear that they may be turning people into

One of the more bullish views on Buspar comes from Ms Elizabeth Greetham, a drugs industry analyst at Eberstadt Fleming, a New York stockbroker. sign a New York Stockbroker. She believes sales of the drug will take off fairly slowly but reach roughly \$200m a year worldwide by 1992.

Bristol-Myers bas started what is regarded as a low-key advertising campaign to propose the days among doctors in

rial the company sent out on the launch of Buspar in the US. This suggested the drug was safe enough to be used by air

quickly withdrawn after Bris-tol-Myers learned that US air traffic controllers are not allowed to take any kind of medication for fear of falling asleep or suffering other drug-related side effects. Public Citizen, a US health care lobbying group, says that in spite of the Food and Drug Administration to prosecute the company for

misleading advertising.
In the area of price, if nothtal, London. More doctors are trying to seek other palliatives for anxiety sufferers, such as counselling sessions.

Other medical experts, includ
The misleating advertising.

In the area of price, if nothing else, Buspar will face heavy competition. A week's supply of the drug will cost the health service about £6 a patient, seving Professor Malcolm Lader of eral hundred times as much as the Institute of Psychiatry at the bill for standard benzodithe University of London, agree azepine.

SRI LANKA'S President Jaye- Pinance Minister Mr Ronnie de wardene, already besiged by Mel two years ago.

The union says Mr de Mel's include a pay hike, an adjust-ment of allwoances in line with the cost of living index, and the poblic service but excluded special allowances tied to pro-

. IR

1

threstenting a strike if its demand for a pay rise and new terms of employment are not met. The union's secretary, Mr Gamini Seneviratne, said yesterday bank employees had been urging a revision since terday but the government had the two major state run corponot followed up the report of a committee appointed by notice of a general strike in dene's cabinet. Indian Tamil plantation workers have kept out of the ethnic violence largely because of Mr Thondaman's extraordinary influence over this migrant community. Tamil militant groups, however, have made persistent efforts to infiltrate this economittee appointed by notice of a general strike in

hours later over the Andaman Sea near Burma. No bodies

Substitute aerosol chemicals to be tested

BY PETER MARSH

IMPERIAL Chemical Industries and ISC Chemicals, part of the RTZ group, are joining forces in a \$4.3m international effort to analyse the safety of a oew class of chemicals that might become important in such applications as refrigeration and

The chemicals are possible replacements for a group of materials known as chlorofluorocarbons, the use of which is to be progressively reduced after concern about their effects on the earth's ozone Under an international treaty agreed last year, world consumption of the present generation of chlorofluorocarbons is will probably be more expension. On the project are Du Pont, Allied Signal and Racon of the US, Daikin, Asahi Glass and US, Daikin, Asahi Glass and Showa Denko of Japan, Hoechst to be halved by 1998. Produc-

tion last year of the com-pounds, which are widely used in insulating materials, as cool-ants in refrigerators and in aerosols, was about Im tonnes worldwide, worth roughly

£1bn.
The substances to be examlned in the research project, layer, which is vital for shield-which involves 13 makers of ing the earth from harmful safe to use on the scale of the chlorofluorocarbons, have simi-ultraviolet radiation. lar characteristics to the exist-

sive than the existing materials, but they are thought less likely to decompose into other chemi-to decompose into other chemicals in the upper atmosphere fluos of Italy.

after they have been released The individual companies are into the air.

chlorofluorocarbons has in industrial processes but destroyed sections of the ozone decided to co-operate in studies

already working separately on The present generation of how to produce the chemicals



yesterday that the merger between the Liberals and the Social Democrats is in danger of failing and that a growing number of Liberals are turning against the proposal.

They came as preparations started for intensive discusstarted for intensive discussions this weekend to draw op a new, tighter policy document to go before the two sides' negotiating teams on Monday.

Mr Simon Hughes, Liberal MP for Southwark and Bermondsey, will tell a Young Liberal Conference today that he is considering the possibility of standing as a Liberal/Green Party candidate if he is dissatisfied at the end of the merger process. "Other Alliances should not be ruled out," he warned.

Leading Liberals and Social De nocrats felt that the commit-mens to Trident, abolition of mortgage tax relief and an extension of VAT, which were contained in the controversial package earlier in the week, would go. The indications were that the SDP, which had them inserted in the first place, is resigned to their omission from Monday's polling demission.

today's meeting.

Mr Hughes, s unilateralist,
warned that any attempt to
make "provocative new changes
of policy" would risk the success of the merger.

Ms Margaret Clay, general
secretary of the 3,000-strong
Association of Liberal Councillors, said the slightest mistake

lors, said the slightest mistake would wreck the talks and the

would wreck the talks and the new statement would have to stick to existing policies.

As a result of the policy debacie earlier in the week, she said, many Liberals who hed been fervently pro-merger were now going to vote against it.

Mr John Pigott, chairman of ALC, said that if Mr David Steel, the Liberal leader, and Mr Robert Maclennan, SDP leader insisted on their new

Mr Robert Maclennan, SDP leader, insisted on their new ideas, they would not be credible to the membership and merger would fail.

Mr Michael Mesdowcroft, the former Liberal MP who is on the Liberals' larger negotiating team, said the party seemed "to have lost confidence in the whole idea of merger." He was whole idea of merger." He was still worried about the commit-

Monday's policy document.
Yesterday preparatory work
was going on for the new document to be drawn up by three members from each side, meeting today and tomorrow.
Mr Des Wilson, former president of the Liberal Party, and Mr Edmund Dell, a trustee of ment to Nato and the name chosen for the new party.

Meanwhile officials the Campaign for Social Democracy, led by Dr David Owen, the former SDP Leader, said they had been inundated with calls of support from SDP members who were now coming over to them.

Chemicals production growth rate set to slow

BRITAIN FACES a slowdown in the rate of growth in chemicals production this year, although output is expected to expand faster than in Western Europe

Chemicals output in the UK is likely to increase by 2.25 per cent over the year in volume terms, compared with a growth of 6 per cent in 1987, according to the Chemical Industries Association. Annual production is currently worth about \$20bn.

Mr Richard Freeman, chairman of the association's fore-casting panel, said yesterday at a conference in London that in spite of the slowdown, 1988 would be a "reasonable" year for the chemicals industry. Mr Freeman, chief economist at Imperial Chemical Indus-

tries, said that, as a result of recent restructuring and cost

reductions, the UK chemicals business was in good shape to withstand any possible down-turn in the world economy. Capital investment in the industry, running at about

£1.4bn a year, was expected to grow at a marginally higher rate this year than in 1987, at 4 per cent compared with 2 per cent. Mr Freeman foresaw above average volume growth in pharmaceuticals, plastics and inor-ganic materials, with a rela-tively low rate of expansion in dyes, fertilisers, organic chemi-

cals and fibres.
According to the association's figures, the UK should perform better this year in chemicals than other West European countries, where average volume output in 1988 is likely to be 1.75 per cent higher than be 1.75 per cent higher than

Life business buoyant

NEW BUSINESS for the UK life reflects the very strong growth assurance industry continues to in unit-linked single premium

Figures issued yesterday by the Association of British Insurers showed total new pre-miums, both annual and single, for life and pensions business rose in 1987 by a quarter to £12.16hn from £9.78hn in 1986. That compares with premium income growth in the previous year of 32 per cent. Thus, although the rate of growth was lower, the life assurance industry is maintaining momentum. tum in its new business growth.

Growth in new sums assured (the level of life cover provided) rose by 12 per cent to £126bn. The lower figure

The three main areas of

growth for life company new business last year were endow-ment mortgages, self-employed pensions and unit-linked life assurance business. However, group occupational pension scheme business contin-ued to be dull in 1987, ahead of the changes this year which will place greater emphasis on personal provision.

The total level of new annuity business written hy life companies last year fell from \$2.85bn to \$2.28bn, reflecting the decline in company group

pension business

Plea for more scope for charter airlines

Verospace Correspondent

BRITANNIA AIRWAYS, the UK's second largest airline after British Airways, is arging a revision of Government policy to provide charter airlinee with better opportunities for development at Catalian largest airlines.

opportunities for develop-ment at Gatwick airport.
The airline carried more than 6.3m passengers last year on holiday charter flights out of many UK air-ports, including Gatwick. It believes the develop-ment of UK air transport will enfor if the Governwill enffer if the Govern-ment retains Its current preference for scheduled flights out of Gatwick.

Britannia intends to make its point etrongly to the Civil Aviation Anthority, which is responsible for establishing the guidelines for the conduct of UK air

The CAA is about to issue a consultation paper, seeking the views of all interested parties, before establishing a new policy for civil aviation in the light of the merger of British Airways with British Caledonian Airways.

Mr Derek Davison, chairman of Britannia, pointed ont yesterday that "with the myth of British Caledonian as a 'second force' to British Airways now laid to rest, it is vital the Government wakee np to the importance of the charterairline sector to consumers, Britain's airports, its economy and employment.

"Britain's charter airlines, "Britain's charter airlines, the true 'second force,' have been providing and continue to provide genuine, fare-lowering competition.
"Some 83.4 per cent of all UK residents flying abroad do so for non-business reasons and of this figure 76

mr Davison pointed out that the Government some time ago indicated that it preferred to see scheduled flights given precedence at Gatwick.

He said that could lead to half-empty 30-seat airliners on scheduled services being given preference at Gatwick over full 273-seater sirlin-

ers on charter flights.
"Whatever vested interests lie behind such a move, they are most certainly not those of the vast majority

of consumers."

Mr Davison pointed ont that, out of 15.2m Gatwick international passengers in 1986, 61.5 per cent were charter passengers and 38.5 per cent scheduled travel-lers.

For the UK as a whole in

1986, leisure traffic was by far the dominant element in all air travel Mr Davison argued that the future development of charter operations ont of Gatwick airport would best be served by scrapping the Government's preference for scheduled air services at that always and allowing that airport, and allowing the airport to develop in a natural manner, without government-imposed con-

straints. He declared: "The Government'e existing air trans-port policies have been invalidated over the years and the CAA's review could

Tories condemn use of three-line whip

THE GOVERNMENT'S unprecedented use of a three-line whip to defeat a Conservative private member's bill was widely condemned from the Conservative benches in the Commons vesteries.

esterday. Mr Richard Shepherd, the sponsor of the Protection of Official Information Bill Official Information Bill aimed at reforming the official secrets law — warned MPs against being "waylaid" by ministerial arguments that only ministers should be involved in discussions on what should replace Section 2 of the 1911 Official Secrets Act, which outlaws all unauthorised disclosures of official information.

Mr Edward Heath, the former Mr Edward Heath, the former Prime Minister, said: I want to establish firmly the principle that the Government cannot

that the Government cannot issue a three-line whip on a private member's hill."

Mr Michael Heseltine, the former Defence Secretary, who led backbench support for the Government's plea to defeat the bill, described the whipping tactic as "quite disgraceful. It can do nothing but excite those who sey the Government is authoritarian and it can do nothing but stretch the loyalties of the supporters of the Government."

Government."

Sir Ian Gilmour, the former deputy Foreign Secretary, compared the three-line whip with the Government's injunctions against newspapers to stop them reporting allegations

THE NEW owners of three

The plants are in Goole, Humberside, and in Guisborough and Hartlepool, both in Cleve-



Edward Heath: challenging

tarian and a sorry display of executive arrogance."

Dr David Owen, the former SDP leader, told Tories to allow Parliament to use its common sense. He encouraged them to tell the whips to "get stuffed."

In an emotional closing speech to a packed House of Commons, Mr Shepherd rejected appeals from Mr Donglas Hurd, the Home Secretary, that he should wait to see the bill the Government has promised to produce, with a hint ised to produce, with a hint that that might be as early as about the security services. In this autumn.

both cases, the procedure is Mr Shepherd said MPs were wholly misconceived, authoribeing asked to trust the Gov-



Dongias Hurd: seeking effec-

ters, and he urged MPs to support the "workmanlike" bill so failed to make its position clear on whether, as in its own hill, which was defeated in the Lords in 1979, it would be for ministers alone to decide what information could be kept from the public, and whether ministers were prepared to allow a defence that disclosure was in the public interest in cases of serious misconduct where the proper channels had been exhausted.

Mr Heath said experience of that MPs could debet the matter further in committee.

He warned that legislation could not solve all the problems could not solve al



ernment, but after his meeting hardline security matters was on Thursday with Mrs Thatcher more prevalent among back-"I am anxious about that conters, and he urged MPs to sup-port the "workmanlike" bill so that MPs could debate the mat-

herd to be content with his "substantial personal victory" in extracting from the Government a commitment to a white paper in June to be followed by a bill "at an early date" — generally understood to be a hint that it might be in this autumn's Queen's Speech.

He said success for the hill would be interpreted as a signs that the Torics were "anxious, dismayed or even worse opposed to the steps the Government has taken in uphoiding the Official Secrets Act."

Mr Hurd said he had tried to ressure Mr Shepherd that the Government was no longer reassure Mr Shepherd that the Government was no longer "nursing its burnt finders" after its 1979 defeat. Now that the Government was reviewing its position with a view to "effective, enforceable and reasonable" legislation, it would be "sifly" to pronounce on its work until the whole package was ready.

He appealed to MPs to accept that Government legislation was the "orderly" way to pro-

Mr Roy Hattersley, the shadow Home Secretary, said MPs should reject Mr Hurd's "pig in a poke" and support the bill which drew "a necessary security and news manipulation.

In the light of the Spycatcher the special hyangh night in the ignt of the Spycatcher affair, the special branch night raid on the BBC in Glasgow, and the injunctions against the BBC radio series on security, it was "unreasonable" to ask the Commons to trust the Government over official secrets.

Machinery

THE PRIVATELY OWNED

Brown construction machinery group has added to its acquisitions with the purchase of the product rights and manufacturing facilities of Broeyt, a Noswegian machinery maker.

Broeyt's activities will be transferred to a newly established commany within the

lished company within the Brown group, but manufactur-ing will continue at Broeyt's

site at Bryne, Norway.

The purchase, announced yesterday, increased speculation that Brown would announce

soon that it has agreed to make

Japanese Kobelco excavators. Broeyt has traditionally made

maker

By Nick Garnett

expands

Clothing Barristers link for insurance plants get £1m plan

THE 5,500 barristers who prac-tise in England and Wales have become the latest professional group to form a mutual insurance scheme to cover them-selves against claims for pro-

clothing factories bought from Burton Group last week plan to invest \$1m to re-equip them over the next three years, for expansion to overseas markets. Last week Burton, the retailer, cut its final link with

commercial marketplace had prompted barristers to become part of the trend among profes
of the new mutual will be comprinciple of running a mutual pulsory.

It will be run by Bar Mutual meant premiums should be Management Co. This is a sub-

manufacturing by selling three surviving plants in north-east England to Mr John Jackson and Mr Harold Rose. They mainly make men's BY TERRY DODSWORTH

clothing for multiple retailers, including Borton, in the UK and for retail concessions at US bases in Europe. Two companies, J. R. Clothes and Alexandre of England, were formed to run the plants. Mr Jackson, who runs Centaur, a Leeds clothing company, is thou through more co-operative chairman. Mr Rose is chief projects within Europe, according to National Economic Development All three plants will continue opacent Office.

A Nedo repo

Steel use recovery confirmed

THE RECOVERY in steel con-sumption from the recession first nine months of last year years of the early 1980s is con-firmed by the latest figures tonnes, indicating a figure of from the Department of Trade and Industry.

Provisional figures for the first nine months of last year show a consumption of 9.16m about 12m tonnes for the full year.

Britain rose from 11.34m mated domestic deliveries and tonnes in 1984 to 11.56m imports and a voluntary survey tonnes in 1985 and 11.84m of about a third of steel-using

owners sim to raise output of UK companies face a growing made-to-measure suits at Goole threat from overseas suppliers. from 1,800 to 2,200 suits a treat to the transport of an week within a year, and at Hartlepool, by introducing Alexandre of England suits.

The three plants employ product sectors in 1985. According to the study, which

year.
The figures are based on esti-

azys. However, the money helped to buy a great deal of science about the behaviour of radioactive substances in the

sions towards mutual insur-ance, he said yesterday. is best known internationally as in the past few years archi-tects, solicitors and some and indemnity insurance clubs accountancy firms similarly for shipowners.

fessional negligence.

The Bar Mutnal Indemnity
Fund will provide up to £2m
for any single liability claim,
said Mr Michael Summerskill, a director of Thomas Miller & Co, which is to manage the scheme.

decided to create mutual pro-fessional indemnity schemes to cover them against liability for errors and omissions. Barristers had to buy at least £250,000 worth of liability insurance and from traditional insurance companies or Lloyd's underwriters; now membership

It is due to start active operations on April 1 provided it is approved by the Trade and Industry Department.

Mr Summerskill said barristers would not necessarily see premiums fall immediately on interior the workers. joining the mutual. However, in the long run the

Information sector warned

g ever, is being eroded because foreign suppliers are adapting technologies used in mass martice, let production to meet demand for more customised solutions.

The report suggests that British companies should respond to the challenge from overseas products is the best option for industry. However, because this approach is more expensive than licensing or distributing other suppliers products, the survey says that UK groups is should form collaborative venithed to the challenge from overseas

float glass products by about 8 per cent in Britain and between 6.5 per cent and 8 per cent in

turers to increase prices

BRITISH INFORMATION technology companies suffer from a lack of resources and ought to try to increase their productive capacity and market penetration through more co-operative projects within Europe, according to National Economic Development Office. A Nedo report stresses that UK groups in these areas, however, is being enoded because a growing a series of the best option for head of the introduction of new products is the best option for industry. However, because the UK groups in these areas, however, is being enoded because in the UK earlier this week.

Brown already makes a range of dump trucks in Norway and has recently purchased the Parker stone-crushing machinery business in Lelcester and agreed to make dump trucks for Komatsu of Japan.

Thatcher to visit Nato HQ

MRS MARGARET Thatcher, the Prime Minister, is to visit the headquarters of the North headquarters of the North Atlantic Treaty Organisation and of the Supreme Allied Commander Europe in Brussels on February 17.

It will be the first time that she has made an official visit to

either organisation.
The trip is officially unconnected with her recent endorsement of a call for a summit of Nato government heads before a US-Soviet meeting this sum-

However, the feeling at West-minster was that the Prime Minister was bound to use the occasion to make inquiries about the feasibility of a sum-

LRT investment to rise

LONDON REGIONAL Transport is considering "radical" plans for n new generation of Under-Sir Keith said the rate of

dies.
The increased spending would be financed largely by a forecast improvement of £54m in revenue from fares. Passenger numbers on the Underground have risen by about 70 per cent in the last five years.

increase in passengers was expected to slow because of fare rises earlier this week which were above the level of inflation. But the underlying trend would continue to rise. "If the increase in passengers goes on, we would have to look at a different dimension of travel, and we are already con-sidering what other forms of Underground travel. Underground transport may be required, he said.
Sir Keith confirmed that LRT was considering seeking private finance for Underground improvements, including the possibility of sponsorship for refurbishing stations.

BY DAVID THOMAS

DIGITAL MICROWAVE, a California-based maker of telecom-munications transmission prod-

The company is initially investing \$2m (£1.lm) in the plant, which will begin by employing 30 people. Mr William Gibson, Digital's president, said yesterday the company hoped the plant would expand about \$40m.

THF presents £150m plans

hotel and catering group, yes-terday amounced that it was spending £150m this year on new hotel, restaurant and other developments. The investment includes four

two motorway service areas.

High Court eases ban on MI6 book

David Fishlock meets the man seeking a storage site for the N-waste nobody wants

Image that handicaps a quest for a home

AS Mr Tom Mcherney sees it, his job is simply to find a site in Britain for an underground warehouse for something that has been part of his everyday life for nearly 30 years.

For the chosen community, attractions include a \$1bn, seven-year project and guaranteed employment for decades, immune from economic cycles.

Mr Mcherney's schedule for this year is to explain his warehouse to about 500 district and county councils throughout Britain, etarting with Caithness, in the north of Scotland, this weekend.

He hopes that by the end of the year at least one community will be persuaded to offer itself as a potential subterra-nean repository for nuclear

Mr McInerney is a chartered electrical and mechanical engineer of 52 with boyish looks and a winning grin. He has worked with nuclear power standard internal integration in the electric. worked with nuclear power sta-tions since joining the electric-ity supply industry in 1959. In 1974 he was made manager of the two nuclear stations at Hinkley Point, Somerset, and took charge of a tricky on-site storage task with spent nuclear fuel. He was obliged to keep radioactive fuel at his station



against the public image - fos-tered by anti-nuclear groups -of being involved in Britain's most anti-social business. Mr McInerney's arrival coin-

So, too, do communities Nirex has epproached as potential repositories. Effigies, including his own, appeared all over the Lincolnshire village of Fulbeck. A whispered "Nirex is coming" could whip up e community to fever pitch, he says wryly. "You could say we're a tremen-"You could say we're a trem dous social stimulus."

dous social stimulus."

His latest schedule was drafted after a government policy change just before the general election last summer, when Mr Nicholas Ridley, Environment Secretary, announced that the search for a near-surface

Mr McInerney has no doubt whatever that leaving radioac-tive wastes where they are is "an unacceptable option". It would leave then scattered most anti-social business.

Mr McInerney's arrival cointive wastes where they are is would be stored in ways that would make it readily retrievable for as long as it takes to be as long as it takes to create a small but fast growing rather than the company of t

THE GOVERNMENT has endorsed the view of the Central Electricity Generat-ing Board that obsolete nnelear power stations should be left for about 100 years before being disman-tled.

Consumption of steel in

In a response to the Par-liamentary Select Commit-tee on Energy's report on the subject, the Department of Energy said the cost of dismantling existing sta-tions 15 years after shat tions 15 years after shat-down might be high. It esti-mates that if the board

concluded in 1986 that surface mercy to contract in the next storage presented unacceptable few years. However, Catthness risks.

Nirex's proposal is for n ney points out. Not least is its "warehouse" up to 1,000ft remoteness, which exacerbates underground, where the waste difficulties of transporting stations, factories and laborato- risks.

environment over a time that will stretch beyond the next two Ice Ages. This has been done for no other toxic waste, Nirex continues to spend £5m a year on research, mostly at the nearby Harwell research centre, to complete its scientific case for the soundness of its £1bn repository. Its investiga-tions so far suggest that about 25 per cent of Britain's land ment Secretary, amounced that the search for a near-surface repository for low-level nuclear repository for low-level nuclear wastes was being abandoned. Costs of meeting public fears about it were escalating. Instead, Nirex proposed — and the Government agreed on — n single repository deep underground to hold low-level and intermediate-level wastes.

Anti-nuclear groups vehement opposed the deep repository in just as they had opposed near-surface propository in just as they had opposed near-surface propository deep and intermediate-level wastes.

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Anti-nuclear groups vehement opposed the deep repository deep and intermediate-level wastes.

Anti-nuclear groups vehement of decommissioning of all its stations, the cost would be about on the form of the fear waste opposed to change the fore the end of the year with local encouragement.

Casthness, where he has been invited to address local council lors this weekend, is one example of a committee or actions of a committee or actions of a committee of a committee or actions of a committee or actions of a committee or actions of a committe

float glass products by about 8 per cent in Britain and between 56.5 per cent and 8 per cent in most other European markets. The increases will be effective from the beginning of April. The company last increased prices last May, when there was a 12 per cent rise. However, Pilkington said that, even with the latest increases, glass prices in Britain would be about 9 per cent below the level of 1981 after taking into account retail price inflation over the period. The early 1980s saw a serious price war among European manufacturers seeking to gain market share at n time of excess manufacturing capacity. The increases had a powerful effect on Pilkington's financial performance and its sharply rising profits helped it to resist a bid a year ago from BTR, the industrial conglomerate. Under the Takeover Code, BTR will be free to bid again for Pilkington from next Wednesday. Pilkington said the latest increases would cover all European markets except Scandanavia. In Demmark, Norway and Finland prices had a powerful effect on Pilkington's financial performance and its sharply rising profits helped it to resist a bid a year ago from BTR, the industrial conglomerate. Under the Takeover Code, BTR will be free to bid again for Pilkington from next Wednesday. Pilkington said the latest increases would cover all European markets except Scandanavia. In Demmark, Norway and Finland prices had a powerful effect on Pilkington's financial ef

Pilkington to lift prices

for float glass products

PILKINGTON, the glass manufacturer, yesterday announced and demand have become better that it would raise its prices for

ground transport, according to Sir Keith Bright, LRT chairman. Sir Keith, who was launching LRT's annual business plan, said that capital investment on said that capital investment on bus and Tube services would rise by £71m to £365m in 1988-89, in spite of n 20 per cent cut in government subsi-

in the last five years.

Midlands plant for US concern

ucts, is to build its first European factory in Bir-The plant will design and make microwave and light-wave transmission equipment for sale throughout Europe.

TRUSTHOUSE FORTE, the

new hotels — at Aylesbury, Bath, Calderdale in West York-shire and Exeter.

In addition, it plans to open 15 new health and fitness chihs in hotels, 17 Little Chef Lodges, 21 Little Chef restaurants, and two metorway sawtice areas.

A HIGH COURT judge yester-day cased a han that has stopped The Sunday Times pub-lishing further extracts from the book Inside Intelligence, written by Mr Anthony Caven-dish, a former MI6 officer.

The company is initially nvesting \$2m (£1.1m) in the plant, which will begin by apploying 30 people. Mr William Gibson, Digital's president, said yesterday the company hoped the plant would expand soon.

Digital has annual sales of about \$40m.

THERE WERE strong warnings the SDP, were working on poicy outlines to present to

Iveco Ford offers deal despite pendulum ruling

The move by the Berkshire truck manufacturer may indicate a significant point about the practical value of pendulum arbitration—the strike-substitute mechanism under which an arbitrator has to choose either the employer's final offer, or the employees final claim.

Leading Industrial arbitra-tors, including the conciliation service Acss and the Govern-ment's Central Arbitration Committee have questioned the system. They say that by ruling out the possibility of compro-nice it way not produce the mise, it may not produce the best practical result for the

IVECO FORD, the only British company so far to win a pendulum arbitration award under a strike-free deal, is in spite of that offering to implement a compromise proposal on the arbitrated issue.

The move by the Berkshire truck manufacturer may indicate a significant point about the practical value of pendulum arbitration to make any cush gley plant's 1100 employees being moved off shift work the original grievance. However, fewer than 100 employees because of a downturn in the truck market.
The arbitration decision

between the company's position and the unions claim for 12 the move showed the company months' cushiouing went in the company's favour. But Mr Roy trator's comments in its consideration about what would be best for the pism's operations. He said pendulum arbitration would have been to have made had been useful in helping a compromise award of 18

weeks cushioning.
Even though it won the pendulum arbitration, the company company using it.

The offer by Iveco Ford, is now putting forward preowned jointly by Ford and cisely this compromise proposal

ever, fewer than 100 employees

are still working shifts.

Mr John McGrath, Iveco Ford employee affairs manager, said the move showed the company had taken into account the arbibest for the pismt's operations.

He said pendulum arbitration had been useful in helping resolve the dispute, but be saw no significant difference in practical, operational terms between pendulum and conven-tional arbitration in industrial

BA moves closer to two-year pay deal

BRITISH AIRWAYS is moving supervisors and from the over-towards agreement on a foorth seas engineers. A further towards agreement on a fourth seas engineers. A further successive two-year pay deal 23,000 UK employees, including for all its employees This week cabin crew, craft workers, administrative staff became the pilots, ground service and non-

fourth bargaining group to accept the offer. in all, more than 12,000 staff, have agreed to an offer worth. 5.5 per cent this year and a further 6 per cent in 1989.

S

photos, ground service and mar-craft staff have yet to.

BA is keen to avoid the protracted wrangling that has bedevilled pay negotiations in recent years. BA's last two year The other three acceptances per cent each year almost led have come from the two barto industrial action over progaining groups for engineering ductivity and flexibility.

This year, BA has not made detailed productivity and effi-ciency demands but is looking adapt quickly to changes in operational requirements.

BA is seeking "unimpeded" introduction of new aircraft, technology and equipment, as well as more flexible rostering of workers and the implementa-tion of lower "starter" pay

Delivery dispute halts Rover production

By John Speck

CAR PRODUCTION at Rover's Longbridge and Cowley plants halted yesterday after a walkout by lorry drivers at Longbridge in a demarcation dispute. More than a thousand car workers at Cowley in Oxford and 700 assembly and body sliop workers at the Longbridge Birmingham factory were sent home because engines were not being delivered.
The dispute began among

18 might drivers over whether components should be delivered to Austin Bover plants by road or rall. Loxry drivers are employed at Longbridge to move engines within the plant.

Union officials advised the drivers to carry on working normally, but the 18 men walked out. Early yesterday morning a further 50 day-sbift drivers woted to join them.

Austin Rover estimated that at Longbridge production of some 300 cars -- principally Rover 200s, Minis and Metros -- with a show-room value of £1.8m had been lost. At Cowley lost production figures were worse - 450 cars, mainly Maestros, Montegos Rovers, worth £2.5m at showroom prices were lost.

The company said talks had begin in an attempt to settle the dispute and the employees were expected to return to work on Monday.

BT branch reports strike a ringing tone

"A WELL-ATTENDED meeting began by standing in memory of Bro. P. Beechinor." "I've been reading the book To Have or To Be, by Erich

Believe it or not, these are both introductions to branch reports in trade union journals. The first, from the National Union of Railwaymen, is typical of the traditional way many unions still communicate local

news to their members.
The second is something altogether different. It comes from the Society of Telecom Execu-tives, the British Telecom man-

Granville & Company Limited \$ Lovet Lane, London ECSR SEP Telephone \$1-621 1212 Member of FIMBRA

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David Brindle on the acerbic 'scribes' who are brightening up union journals

recent Review.

Remember, when backsides are being kicked from the top,

the person right at the bottom is a BT customer," contributed "Borka", of Leicester, after a BT maintenance engineer had been "so damned rude" on a agers' union which this year self-ence with the Borks residence. So, Sir George has left the as an independent organisation with a full-time staff.

Writing mostly under peeudowith interested vigorit, if menonyms, the STE's branch thusiastically, or the mealowextraordinary style of their corn will slam another torpedo own which has turned the Branch Notes pages of the Branch Notes pages of the Review, into a sharp and with George Jefferson, the former

"Leser shows at shareholders" behaviour has destroyed meetings are no substitute formorale, caused loyalty to fly telephones that work," wrote out of the window and has led to BT's poor performance in the

eyes of the customers."
Such semi-public washing of the management's dirty linen undoubtedly causes stresses. "S From 95's Mate", the West Midlands acribe, recalls his branch chairman being summoned by BT's district general manager to be told of official displeasure at

one particular report.
"Since privatisation the acribes seem to have more power, seem to be getting more of a say than they ever did," says 8 From 95's Mate, a work

union's monthly journal, The Review, into a sharp and witty commentary that is required reading for the privatised company's senior executives.

BT has not, of course, been conspicuously short of critics of late. But the acerbic judgments of "Donbting Thomas". Beagle Voyager's message to the BT board: "They must surely be aware that their heavy-handed approach which led to (last year's engineers') weight than most. other involvement in the union and are as critical of its leader-

appears, rarely censured or amended. Thus the regular greetings in Latin from "Agres-tis", the Norwich scribe, pass into print in the form he writes

Thus the reports also provide the outsider with fascinating unggets such as a description by Captain Haddock, of Manchester, of Section 5 Appendix A of BT's handbook for manag-

ers on dealing with complaints.

The appsndix, wrote the scribe, outlined bow to construct letters of apology to titled telephone subscribers including the Queen and all her family. What, then, explains the idio-

syncratic nature of branch reporting in the STE? According to Mr Kenneth Glynn, the union's general sec-retary from 1960 to 1983, there study and efficiency manager has always been a strong tradi-tion of freedom of expression for the members. He thinks it too obscure for wider consumption.

Often, the scribes have no other involvement in the union and are as critical of its leadership as they are of BT. "This secretary from the STE executive the character of Mr. Leanned and are as critical of its leadership as they are of BT. "This
secrecy from the STE executive
is inexplicable," wrote "Mehercule", of International Central
branch. "Tell us the offer. Discuss with us the problems.

Trust us."

Yet the branch reports are, it

Scottish hospital action likely to continue

BY DAVID BRINDLE, LABOUR CORRESPONDENT

of competitive tendering for because they have instead achieved savings of at least achieved savings of at least staff in Edinburgh and Strathclyde, about 150 ancillary workers at Gogarburn Hospital, near Edinburgh; yesterday walked out again.

More action is expected on more action in the services at our introduction not serviced and services at our introduction not services.

More action is expected on Monday when Greater Glasgow Health Board is due to discuss tendering. The National Union of Public Employees' Lanarkshire committee is to ask the Scottish TUC to support a national day of action in the health service.

Mr Ron Curran, Nupe's national officer for Scotland, said yesterday: "Industrial action is now inevitable in Scotland."

at all pleased that there has been some industrial action in protest at our introduction not of privatisation, but of competitive tendering which of course you have had operating in England for a number of years and which has produced about \$100m of additional money for patient care."

The Royal College of Nursing, the main nurses' union which has a no-strike rule, yesterday denied reports that several of its members had joined Thursland.

action is now inevitable in Scot-land.*
Unions in England and Wales
have largely ceased taking action over Government-enforced competitive tendering, yesterday after Thursday
which began in 1983 and is
which began in 1983 and is
which townslate However in the disputed in the dispute almost complete. However, in the disputed issue of meal Scotland the process was allowances.

HEALTH WORKERS in Scotland deferred by the health boards look set to continue disruptive and is only just beginning.

The health boards say tendering should be unnecessary

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Midland Bank personnel director

tor of William Lea and Co.

(Executive).

Sir Robert Armstrong, farmerly secretary, has been appointed to the board of the ROYAL OPERA HOUSE. Sir Robert, who was made a life peer in the New Year Honours, is a member of two subsidiary boards, the opera board, of which he is deputy chairman and the development board. Mr Andrew Edwards has been appointed secretary.

appointed to the board of development director.

ASSOCIATED BRITISH PORTS as a non-executive director. was Secretary of State for

CONTROL SECURITIES has CREDIT LYONNAIS UK has Mr Peter Simonis bas been

Rebuilding a board mill

The order is for the complete re-built of the Mills' board machine which, when completed, it is claimed will be one of october.

An order worth over £5m has of the most sophisticated in the been received by BELOIT world, with the capacity to pro-WALMSLEY of Bolton, Lanca, duce 140,000 toames per annum from Purfleet Board Mills of of sized and unsized board

Do-it-yourself ticket machines

new machines will be supplied change. by AUTRICA AG of Berne, Switzerland. The srder will London Bridge, Waterloo and bring the total number of Victoria are the most recent to Quickfare ticket machines due receive the more versatile in service at some 180 Network equipment. Other London terstations to over 400. Deliveries mini will follow, along with

Network SouthEast has placed suburban stations while a more a \$3.4m order for 240 Quick- versatile unit which covers a fare self-help ticket machines wider selection of destinations for installation in strategic and accepts \$5 and £10 notes locations at many of its busy as well as colns, will be stations to make it easier to installed at most London terbuy a ticket and help reduce mini and principal suburban queues at ticket windows. The stations. Both machines give

will be completed by late 1989. many principal outer suburban Two versions of the Quick-stations including Chelmsford, fare ticket machine are being St. Albans City, Reading, Wokintroduced. A coin-only ing, Sevenoaks and Redhill by machine will be used at busy the summer.

Mr G. Peter White has been appointed group personnel thas become sales director on the board of Peters Office assistant general manager assistant general manager manager from February 1. He is associate managing director - personel at Nomura International.

Saudi International Bank. Mr Steven McGuire has become assistant general manager responsible for the market group covering all forsign exchange, treasury and the sales activities. He was previously with Gulf International Bank as London branch treasure.

Mr Keith Allen has been appointed a director of ROB-ERT WALTERS (INTERNA-TIONAL) based in Brussels. Mr James Hyde has been made a director of Robert Walters JOHN CROWTHER GROUP has

appointed two directors; Sir Derek Palmar, president of TOP RANK, the bingo chib sub-sidiary of Rank Organisation, has appointed Mr Ian Ellis to Bass and chairman of Yorkshire Television, has been appointed a non-executive director. Mr
David Snddens, who joined
Crowther in October, has been apppointed an executive director development director, has additionable appropriate development director. managing director of CARTERS PACKAGING. He was previ-ously a director and general

CONTROL SECURITIES has appointed Mr Edward R. Smith a non-executive director. He is a senior director at Hill Samuel & Co.

**

Mr John Eden has joined the PETERS GROUP as service*

CEEDIT LYONNAIS UK has made the following appointments: Mr Roland de Malherbe appointed a non-executive director, and Mr appoints a non-executive director, takes the new post of operations director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, becomes asies and appointed a director, takes the new post of operations director, takes the new post of operations director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales director of CARLESS, CAPEL & director, and Mr Tever Astbury, formerly sales and Leonard and Leon



appointed Mr Bob Dover as manufacturing director. He

tor. Mr Suddens was formerly a director of Courtaulds Textile Group and chairman of its fabrics division.

Gevenopment unrector, has accurate the communication of the communications of the communications of the communications.

ADAMS FOODS has appointed Mr Michael J. Whittaker as sales and marketing director. His was commercial director at Del Monte Foods. He succeeds Mr Tony Moore who has COUNCIL from May 17 for a three-year period.

Tics division.

Trics division.

Mr Frank C. Prast has been LOMBARD TRICITY FINANCE, made financial director of the National Westminster Bank group, has re-organised its board. Mr Jim Shree-year period.

Three-year period.

Tics division.

Mr Frank C. Prast has been immediately financial director of the National Westminster Bank group, has re-organised its board. Mr Jim Shree-year period. director, takes the new post of

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A contract worth \$15m over sell the UNIGEM product plus five years for the exclusive source code to major user cor-European distribution of its porations, small to medium size UNIGEM Unix accounting soft-computer manufacturers and European distribution of its UNIGEM Unix accounting soft-ware has been won by SOFT-WARE LABORATORIES of Gray, Co. Wicklow, Ireland. The deal has been signed with Linkor, an international sales and marketing organisation based in Paris and London, which will provided the second street of the second stre

Bone china for British Airways

ROYAL DOULTON has won an china Royal Doulton already order worth more than £1m supply to the airline's first from British Airways. The bone class and Concorde services. china will be supplied by the The Concorde services. china will be supplied by the The Concorde service is also company's hotelware and airbeing supplemented by glasses lines division and will be used from Royal Doulton Crystal. on British Airways new lon-The pieces to be supplied gbaul business class service include cups and saucers, two introduced in January. This sizes of plates, bowls, meal new order is in addition to the dishes and butter chips.

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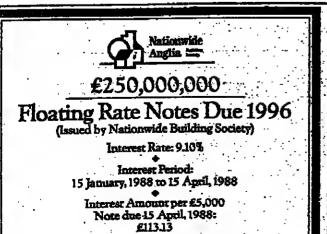
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Saturday January 16 1988

In search of scapegoats

US monthly trade figures that are also having an impact. they know to be generally Those who manage long term misleading and statistically capital flows seem no more faulty. The market authoriable to take a contrary view ties have been almost equally of currencies than the banknervous – even to the point, ers who deal on a minute by in the case of the New York minute basis. Stock Exchange, of limiting Short termism of this kind stock exchange, of limiting computerised programme trading in an experiment that started on the day of the trade figures. Yesterday the announcement finally came; and the euphoric response in the currency markets to an outcome rather better than expected must have given expected must have given central bankers pause for thought. How long before they find themselves holding the dollar down instead of propping it up?

The market reaction does not, of conrse, bear much relation to underlying reality. Nor does the reaction of those commentators whose instantaneous judgement was that the US trade balance had turned the corner. The trade figures for November, it should be remembered, will not have been affected by the depreciation of the dollar that started after Black Monday. So what, if anything, do the

figures mean?
A deficit of \$13.2 bn does at least indicate that the October figure of \$17.6 bn may have been misleadingly large. selling signals, scarcely seems Averaging over the two designed to send out sensible months October and November 1987 throws up a deficit of \$15.4 bn, which happens to be virtually the same as the average for July, August and September. But it also hap-pens to be above the average for October and November 1986 of \$15.1 bn. There is nothing here to inspire any real confidence about trends. The fact that much of the adjustment now appears to be coming on the export side is consistent with the view of a full employment economy that is reaping the gains of a substantial devaluation.

Violent optimism

The question, then, is why The reason that investors the markets should react with used to watch money supply une markets should react with used to watch money supply such violent optimism to figures that offer so little in the that they had seen their portway of a predictive steer. folios savagely eroded by Relief eurely provides part of inflation. The reason they the explanation: it could have been so much worse. But avidly is that trade imbalance there are also problems arising from market etructure. The absence of stabilising tion. True the markets are The absence of stabilising tion. True, the markets are speculators in the currency unduly volatile. But to blame markets has iong been the them for everything - espeeubject of academic debate. cially in a Presidential elec-

THE SUDDEN departure of

two senior directors after a rift over strategy on Wednesday night caps a bad

year at County NatWest,

the investment banking arm of the NatWest group. The news came on top of

County's admission jnet before Christmas that it had lost £69m in the October

market crash, which also forced it to dismiss three people involved in a scandal in its options department.

All this has been highly embarrassing not just for County NatWest, but also for its parent, the UK's largest clearing bank. "It's been a difficult year," admitted Mr Charles Villers the charles Villers and the charles of the cha

liers, the chairman, as fog swirled round the upper

storeys of the County Tower close to the Stock

Exchange yesterday. "But we hope we can get all that behind us now."

These unhappy events could have been blamed on bad luck and the usual City ups and downs, were it not that County has also had to

admit to deeper problems in its strategy.
In recent months it bas

In recent months it bas become obvious that County made a false start in the 1986 Big Bang which has left it behind in the investment banking race. So County is racing to catch up, through the forthcoming acquisition of Wood Mackenzie, a leading stockbroking firm. But that too is causing strains as the two

causing strains as the two

operations are merged.

markets have been waiting ment managers' three obsessively for a single set of monthly performance surveys

it singled out programme trading and the use of instruments such as futures and options to hedge investment portfolios for criticism. The New York Stock Exchange. which is not without political antennae, is sufficiently con-cerned about this mechanistic approach to investment (and sufficiently hostile to the Chicago markets that play host to so much of the hedging activity) to have decided to act, initially by controlling access to the exchange's electronic order processing sys-tem, which is central to the operations of the programme

A scapegoat

One can sympathise up to a point. Programme trading, with its automatic buying and designed to send out sensible price signals to providers and users of capital. But if euch surely react to bring them back into line. The fact is that the currency markets do over-shoot, and the trade consequences of overshooting are serious enough to require policy changes; but it is not clear that stock markets have been overshooting in the past three months, or that the authori-ties should be imposing con-straints on market operations.

In ehort, the markets, however volatile, are becoming a scapegoat for policymakers. And it may be that as curtion year — is to fall back on rency markets have become the age-old practice of shoot-dominated less by trade than ing the messenger.

Michael Cassell examines the uncertain future of the merger between the Liberals and the SDP

bled into a Freudian sllp under the are lights in the Lloyd George Room of the National Liberal Club last Wednesday, the slip seemed to reflect an inner truth.

Tired after a night of merger discussions, demoralised by a day of escalating insurrection in his party, the Liberal leader was commend-ing – es though he had any choice in the matter – a tem-porary halt to the Alliance

porary hait to the Alliance party's merger negotiations.

A press conference called in triumph to announce an agreed merger package had become the platform for a public humiliation. Flanked by rebellious MPs wearing fixed smiles, Mr Steel did his best to put a brave face on best to put a brave face on things. It would be best for everyone, he suggested, if the two parties took a breathing space "for two or three

He at once amended the time-scale to two or three days. He would have been forgiven, however, if he had wanted the whole affair put on ice for a great deal longer. It was Mr Steel himself who had forced the pace in the aftermath of a general elec-tion which had promised the Alliance so much and delivered so little. His determina-tion to erase the unhappy election-time memory of two party leaders yoked together in a pantomine horse might

now prove his undoing.

After Mr Steel's manling at
the hands of his own MPs, the gentlemen of the Press seemed reluctant to intrude on private grief by pressing him on his political future. Most had in any case decided, perhaps just a little prematurely, that his days as party

their closest advisers. It would then be presented to up the outlines of the leaders' handing over the task to a the special conferences as an policy document while Mr committee, it has until Monintegral and inseparable ele- Steel went on safari. He day to produce something dif-

an end to the tedious process and to embark on a new crusade which he appeared increasingly tempted to lead, drew in his political antennae ing VAT to a range of food before the Liberals meet at



The men who went out into the cold

leading figures of the Social party, insisted on policies the document had a similarly delays, however, both parties Democratic Party. But then he which he should have realised hostile reception from the report a strong feeling from carried on the necessary nego-tiations in moode which the Liberals. In the event, Ho

architect of the SDP constitution, who seemed to be more genuinely enthused by the endless, remarkably good-humoured discussions of the new party's framework and decision-making processes. In joint appearances, his grasp of detail was impressive, the Liberal leader's lacking.

The plan was that the leaders' policy statement — "the keystone in the arch" to borrow Mr Maclennan's phrase—would crown the negotiation process. It was seen to be of euch importance that its creation would be left exclueively to the two men and their closest advisers. It

integral and inseparable element of the merger package.

As events on Wednesday and Thursday dramatically proved, the two leaders, in a paroxysm of astonishing naivety, fell down on the job.

Mr Steel, in his desire to see the merger, to appear radical compound of earlier policies, and to rally maximum supdrawn heavily from an Allimore to the rediction of the merger, the merger of the merger of the maximum supdrawn heavily from an Allimore that the merger of t

leader were numbered.

Originally, be had been the one anxious to confront the and promptly lost touch with and essential consumer goods merger issue head-on, a prohis MPs. Mr Maclennan, in and abolishing mortgage tax to put it to a ballot of party and Mr Maclennan has been cess which opened up an struggling to win over the unbridgeable chasm between anti-merger faction within his Liberal MPs to stomach; and between anti-merger faction within his Liberal MPs to stomach; and delays between the debacks and the democratic political of the democratic political

the grassroots that there can carried on the necessary negotiations in moode which the Liberals. In the event, ranged from public displays of enthusiasm to private expressions of boredom and expressions of boredom and It was Mr Maclennan, the architect of the SDP constitutions are most uncertainted by the more structures to student organisations. There allow it to create an the grassroots that there can be no turning back. The attractive electoral package, the GDP meets a week later at leadership will be rather more Sheffield – will vote to set up pressing.

The negotiating team spent policy issues – he found him a new party in March, but it is not a foregone conclusion.

Things are most uncertain time allow it to create an the grassroots that there can be no turning back. The other chances are that both sides – the question of the party of the SDP meets a week later at leadership will be rather more self on the receiving end of a new party in March, but it is not a foregone conclusion.

Things are most uncertain time allow it to create an the completion to the party of the constitutional package, the question of the party of the SDP meets a week later at leadership will be rather more self on the receiving end of a new party in March, but it is not a foregone conclusion.

Things are most uncertain time allow it to create an the completion to chance are that both sides – the question of the party of the SDP meets a week later at leadership will be rather more selfound him is not a foregone conclusion.

The negotiating team spent more policy issues – he found him is not a foregone conclusion.

Things are most uncertain time allow it to create an the completion to chances are that both sides – the QDP meets a week later at the completion to chance are that both sides – the QDP meets a week later at the completion of the constitutional package.

The negotiating team spent more provided to be more than the constitutional package.

The negotiating team spent more provided to be more than the constitutional package.

The negotiating team spent mo

The task of deciding what the new party would stand for appeared to be an afterthought

Advisers were left to draw alone went off into the cold,

on the Liberal side. The package must win a two-thirds majority at Blackpool, and a "No to Merger" campaign is

Even if all goes well over the next two weeks, the events of the past few days will have a profound impact on the leading characters, the new party and the shape of British politics for a long time to come.

The consensus among MPs this weekend is that, irrespectively. the next two weeks, the

tive of the ontcome of the merger process, the political

the SLD is planned for the autumn. An announcement that Mr Steel does not intend to stand would fire the starting gun for all the alter-

scering gan for all the after-native candidates.

Mr Aisn Beith, the Liberal deputy leader, may have wrecked his chances by help-ing to draw up the outlines of ing to craw up the outlines of the ill-fated policy document and through his attempts this week to distance himself from the disaster. Mr Paddy Ash-down, the Liberal MP for Yeo-vil, whose silence this week has spoken volumes, could

soon emerge as the favourite. As for the SDP, more of its As for the SDP, more of its leading figures seem likely to follow the example of Mr. Bill Rodgers, who has left to run the Royal Institution of British Architects. The wave of disenchantment could also spread to the grassroots, where some impressive prospective parliamentary candidates may just feel they have had enough.

dates may just feel they have had enough.

The new party's leader will face a difficult task in trying to give it a well defined place in the political spectrum. He or she will probably inherit a party which boasts an SDP constitution, but still leans heavily on the Liberals for its community-based political fla-

Dr David Owen, the former SDP leader, did well this week to contain his innermost feelings about the plight of his former colleagues. He clearly feels, however, that their chickens have come home to

With his Campaign for Social Democracy already attracting 15,000 members and a scale of financial back-ing that is the envy of his former partners, Dr Owen has firm foundations on which to rebuild his support. No oppor-tunity will be spared to recruit sympathisers at Shef-

This week, he said his task in 1988 would be to rebuild the "self-confidence, pride and electoral effectiveness" of Social Democrats. His rehabilitation as the leading figure of the centre ground of Brit-ish politics could also be part of his plans.

Both Mr Steel and Mr But even if supporters do rush to his side, things will see the merger process through, but it seems increasingly certain that, even if the time being, incalculable. ingly certain that, even if they wished to put their names forward, their chances of winning would be slight. The party will find it more difficult than ever to convince the electorate that it offers a fresh alternative, and it will need to have a new face at the top, one which hears none of the responsibility for the latest fiasco. The wound could be deep enough to emasculate any political third force, whatever political third force, whatever shape it assumes, for a long time to come. As he has warned, the task of mounting a credible opposition to Mrs Thatcher may have been seriously undermined.

If the merger goes ahead, the SLD will face its first real

apparently attracting rising. Mr Steet whose keemess test at the May local elec-support. The result of the to carry on, after nearly 12 vote next Sunday lunchtime is years of party leadership, has therefore uncertain. If the fluctuated in recent months—open to varying interpretatherefore uncertain. If the fluctuated in recent months - open to varying interpreta-proposal fails, the package is likely to find the decision tions at ward level and with will unravel and confusion made for him. Though he may and recriminations will turn regret the circumstances surple out.

its leadership uncertain. Its representatives will be desperately anxious to concentrate the circumstances of the circ perately auxious to concentrate on the future, rather than to acknowledge the

finally stepping aside with some measure of relief. If Mr Macleman had harrecent past.

"Voices and Choices for All", the two leaders instantly perishable proclamation, saye that the pro-posed political union intends to "catch the tide of history". Doubters from either side coo seems unlikely to be ful-illed. would be forgiven for fearing that it might just have gone out without them.

The problems of County NatWest





Trying to march with the big battalions

By David Lascelles

clays (which spent £125m creating BZW) it bought a medium-sized broker, Fielding Newson-Smith, and a small jobber, Blsgood Bishop, for a total of less than \$30m. It reckoned that it could build on this foun-

County's predicament is a vivid illustration of the But the first year of Big Bang showed that big battalione come out best; County's light artillery was outguined by BZW and large merchant bank groups need for clear strategic thinking and successful "people chemistry" in the volatile business of high finance - neither of which like S.G. Warburg, and staff turnover soared.

County got right, Mr Villiers The proposed acquisition of Wood Mackenzie from In the run-up to Big Bang in the mid-1980s, when banks were scrambling to the TSB Group is supposed to remedy this. The Edinburgh-based firm, built up by Mr John Chiene into one of the UK's most successful get into the securities business, County beld back. Instead of splashing out on blg acquisitions like Barcorporate finance and

research brokers, will strengthen County's equity business and give it a bigger share of the market in UK blue chip stocks, where it has been weak.

But the marriage bas made a bad start Mr Brian Winterflood, County's top equity market-maker and a leading name in the Unlisted Securities Market, opposed the Wood Mackenzie deal after it became clear that his market-mak-ing division would lose its independence and Mr Chiene would be appointed

to the top securities job in County. He left, along with Mr Stephen Raven, the deputy managing director.
The row and Mr Chiene's strong personality suggest the deal might end up being

a reverse takeover of County Mr Villiers agrees that County wanted to get in new management to run its equities business, but at the trading level "it is a merger of equals."

He also points out that even after buying Wood Mackenzie, County will still have spent only a third of Barclays' outlay on BZW. The company has also recruited Mr Peter Spira, a leading merchant banker, to improve its entree to the big company market. The Wood Mackenzie deal,

though, is only one part of County's efforts to lift its game. The losses in the crash, which were caused largely by County'e heavy holdings of shares in Blue Arrow, the manpower firm,

have been made good by a capital injection of \$80m. from its parent.

The company's senior executives took a voluntary 20 per cent pay cut, and 100 of the most highly paid staff have had their salaries staff have had their salaries cut as well. Whether any bonuses will be paid for 1987 will be decided in April, says Mr Jonathan Cohen, the chief executive. So far, 20 people have been laid off, but more may go in the worths about The ich. the months ahead. The job losses will reflect, in part, rationalisation after the Wood Mackenzie merger – a fact which has added to

poor morale at County.

Despite all these measures, County will still make a loss of \$60m-\$80m make a loss of \$60m-\$80m this year, according to City analysts, and heavy development costs already planned for this year mean it will probably end up in the red for 1988 as well. However NatWest, the parent, has gone to some lengths to reassert its commitment to County and a spokesman said vesterday.

spokesman said yesterday that investment banking remained a key part of NatWest's global strategy. The equity business is only one part of County's operations, which encompass capital markets, fund management and merchant banking. And ironically

banking. And ironically, County is doing much better abroad than in the UK.

it has just won a long legal battle in the US to open a stockbroking and investment advisory busi-ness, which will set a major precedent, even for US banks. It will also shortly join the exclusive group of foreign banks which bave been allowed to join the

Tokyo stock exchange. Mr Villiers says he still aims to make County a leader in the UK." By that he means being one of the top three investment banks which he expects to dominate the City in the years

might greet the prospect of

cy-making machinery estab-lished for the new SLD may in

time allow it to create an

Strong Growth Sustained

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Interim Results (Unaudited)	6 months existed 31 October 1967	6 months ended 31 October 1900	12 months encied 30 April 1667
	<i>£</i> 000	£000	£000
Turnover	50,581	33,770	78,785
Profit on Ordinary Activities before Taxation	3,367	2,142	5,825
Taxation on profit on ordinary activities	1,279	868	_2,189
Profit on Ordinary Activities after Taxation	2,088	1,274	3,636
Dividends proposed	287	•	•
		222	666
Retained Profit for the Period	1,801	_1,052	2,970
Earnings per Ordinary share	5.4p	3.9p	10.4p
Dividend			

An interim dividend of 0.72 pence per share will be paid on 29 February 1988 to shareholders on the Register on 4 February 1988.

Mr B. J. Gibbens, Chairman, reports:

The results, which are in line with our expectations, include contributions from Baddeley Associates Limited and Data Networks PLC, which were acquired during the period. The flow of orders has continued satisfactorily, with major contracts being won in all our

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Lord Young is as much an evangelist as a politician — a DTI civil servants are to be salesman for capitalism. Same re-educated through enstoner nel Smiles, the prophet of care training, he describes his nel Smiles, the prophet of care in self-belp, would have been depart proud of him. He is the epit. ome of the successful busi-nessman - dapper smooth at times somewhat glib, a doer who believes he knows what needs to be done.

needs to be done. When interviewing him, the flow of genial persuasiveness is such that it is sometimes difficult to get to grips with the substance. He speaks like a marketing man rather than a conventional minister. Last the substance. He speaks like a marketing man rather than a conventional minister. Last Young has solid achievements to his credit. When he was considered to his credit. When he was chairman of the Manpower to Mein Kampf — no one can say they did not know what was coming.

Services Commission from 1982 to 1984, there was a greater emphasis on training and the creation of jobs in service industries and small them.

was coming. and the creation of jobs in Lord Young talks a lot service industries and small about changing attitudes: firms. He built up the Youth training Scheme and expansione 250,000 managers and ded other programmes. decision takers in industry to become more entrepreneurial and self-reliant. In just the same way, when he was at the Department of EmployMan in the News: Lord Young

An evangelist for capitalism

By Peter Riddell

out he showed energy and on promoting enterprise and marketing flair, producing a best practice, with the depart-succession of lnitiatives. ment providing and subsidisdepartment as a service com-Whether or not his actions lng consultancy on, for were responsible, the uneminstance, design and quality ployment figures fell. in smaller firms. Lord Young brought in to shake up a

Lord Young is trying for a talks about "renewing the repeat performance at the schemes, since he believes DTI. He recalls his previous that if they are to influence period at the same ministry in attitudes and behaviour they the difficult days from 1979 should be limited to, say, two to 1982, when he served as an years and then replaced with industrial and apecial adviser. new programmes. His first impression when he

performance. But attitudes wise. created by close sponsorship
of particular sectors involving an advertising camremained, and officials were paign and 24 new DTI outlets
reluctant to promote schemes around the country, is for fear that the money would

He is also to make regional returned in June was that, grants discretionary and "while the outside world had selective. He strongly denies changed tremendously, the the charge that he is going back to the discredited exerdepartment had not".

Admittedly, the problems cise of trying to pick winners. that used to attend the he says there will continue to nationalised industries had largely been solved, either by project will only qualify if it privatisation or by improved would not go ahead other-

or fear that the money would intended to address managers un out.

Now the emphasis is to be department's traditional con-

tacts with trade associations. for an industrial strategy. He regards the associations as All this leaves Lord Young the lowest common denominator, producing mutual and sponsoring civil ser-

Survey evidence shows that It is the smaller firms which are both in most need of consultaney services and are most ignorant of the DTI's schemes, which he describes as "the best kept secrets in

Lord Young sees the central question as how to use his budget of around &1hn to influence an economy of around £400bn. This is not only less than half what he had at the MSC, but also only about a tenth of what the Ministry of Defence spends annually on equipment from

British industry.

Perhaps the key is that
Lord Young is an activist by
temperament. His approach
contrasts with the doubts
expressed before 1979 by
Lord (Keith) Joseph, his original political mentor, about whether there was any need

as a curious figure in Cabinet - well liked by colleagues and held up by the Prime Minister as an example to others. But, as fellow ministers point out, he has never had a constituency. He may have proved adept at Whitehall infighting and as an intermediary with Conservative Central Office during the last election, but he is not regarded by colleagues as a real politician. When he sought last autumn to become chairman of the Conservative Party, bls appointment was blocked by those quintessential politicians, Lord Whitelaw and Mr

John Wakeham. Lord Young undoubtedly has influence over policy, but his priority is his customers, out there in industry, not Parliament. He is dismissive of what he sees as the preoccupation of fellow ministers with the Commons. That is why he remains an outsider: an active manager and sales-man, but wholly dependent



EXACTLY one year ago next Wednesday, Mr Terry Waite left his West Beirut hotel for a meeting, bade farewell to hls Druze bodyguards and slipped out of sight.

Within 10 days, it was clear that Mr Waite, the Arch-bishop of Canterbury's spe-cial envoy working for the release of Westerners kid-napped in the Lebanese capihad himself become

another hostage.

After 12 agonising months for Mr Waite's family, there is no hint of his release or even of his whereabouts. None of Lebanon's hostage-takers - a oumber of inter-locking clans grouped under the general umbrella of the Shi'ite Mosiem Hizboliah (Party of God) has claimed responsibility for the kidnapping. The Brit-ish Government maintains that there have been no demands, no statements of terms for his release, nothing.

Yet amid this silence on the most celebrated of the Lebanese cases, there have been some quite dramatic shifts

Hostages to more than ill-starred fortune two Frenchmen and two West Western credibility and soli-Germans were seized in Janu-darity were already strained ary, followed by Mr Charles to breaking point by the dis-Glass, the American journalist closure of America's arms. The year ended with four of for-hostages deals with Iran them — Mr Glass, Frenchmen in late 1986. But in the last Mr Roger Anque and Mr Iew months, serious dissensen-louis, Normandin, and sion has also been sown Mr Alexad Schwidt. Mr Alfred Schmidt, a German within European ranks, which

negotiation and deal-mak- concessions under duress to western governments con-fronted daily with the hos-tage issue, there is bad blood. Although there is no suggesand confusion.

approach of people who were

sleepy business, he sets new

targets, repackages the prod-uct and launches an expen-

sive marketing campaign.

Short-term results improve,

yet has anything fundamental

As a result, he was brought straight into the Cabinet in September 1984 with a brief

to cut official regulations and promote enterprise. Through-

unemployed. Even his ow

itself in the "hostage bazaar",

For some of the estimated 24 people remaining in captivity, there is more than a whiff December 1986 to make "no

To British official eyes at Government itself paid a ran-least, hopes of a solid interna- som, it was certainly involved tional front against accommo- in discussions with Tehran dating kidnappers or states about the hostages and Brit-which sponsor them — in this ish officials remain convinced case Iran - seem more remote that it tolerated such a paythan ever. Given Britain's ment by private individuals adamant refusal to involve or companies.

over the hostages in the last so do the chances of release of either of the two British Nineteen eighty-seven opened with a rash of kidnaphane alive. Mr Waite and the jour-french hostages were freed at the same time as the French mit seven of them this week and consideration of a whole

consistently contested efforts

authorities let out an Iranien after they had been on bunembasay translator they ger-strike for several weeks wanted to question. Paris has in Gabon); it has resumed efforts to normalise relations to present this as a "hostage with Iran, whilst insisting deal", and Britain accepts its that this process cannot be assurances that no ransom complete until all French hos-

Andrew Gowers and Nora **Boustany** look at the plight of kidnap victims in Beirut a year after the seizure of Terry Waite

But there was an obvious political price for the release of Messrs Angue and Norman-din: France has repaid the Then came France's complex arrangement with Iran at the end of November, under working for the arrangement which two of the saver first tranche on a \$1bn loan

The French position is not as perfidious and inconsistent as it is sometimes portrayed in Britain. Ever since coming to power in 1985, Mr Chirac has argued that there is a distinction between treating directly with hostage-takers, The climate has deterio-

Whitehall

rated as a result of the French and German deals," said one observer. "Countries have been perceived as prepared to deal with Iran to secure the release of hos-tages. By definition, that makes life more difficult for those who are not prepared to

range of interests.
This argument cuts little ice with British officials, who

insist that the close identifi-

cation of Iran with the hos-

tage-taking rendera such a

distinction meaningless. The

Events over the last few months have also reinforced the lively cynicism in Beirut about Western attitudes. "The US, France and West Gerintricacies of hostage-taking

heen negotiating, and the declared policy of not dealing with kidnep groups has turned out to be a joke." It is all grist to the mill of the hostage-takers, who - in

recent moves have fostered alliance with the adroit statesomething akin to despair in craft of Iran - have accomplished an aatonishing amount since the current wave of kidnappings of foreigners began in 1985. Humbling an American president, making the West look impotent and divided and driving most foreigners out of Lebanon are no small achievements for a hand of obscure political factions.

It may be because of this sense of achievement that Iran and the kidnappers seem more willing to reach limited deals, although the remaining captives are unlikely to be cheaply bargained away so many have given into blackmail and they have all pald a
price to get their hostages
out," observed a senior Moslem militia official, who is
usually authoritative on the
gate America, the issue of the remaining nine US hostages -

including the longest-serving captive, the journalist Terry Anderson, who will have been a hostage for three years in March - is very much a live

But in contrast to its European partners, the Britiah Government would appear to be under virtually no pres-sure to reconsider its opposition to dealing with Iran or the hostage-takers. Before Mr Waite disappeared, he explic-itly ruled out any deals being struck on his behalf.

He himself remains a special case. Rightly or wrongly, the kidnappers are believed to see a suspicious link between his hostage missions and the aborted efforts of Col Oliver North, It is also thought that they hold him personally responsible for failing to deliver on a promise to secure the release of 17 Shi'ite prisoners held in Kuwaiti jails for acts of subversion in the Gulf emirate.

Whatever the position of Walte remains the most prestiglous prisoner in Lebanon. His captors seem likely to hold out for the best possible price for him.

16/1

Technical analysis helps

From Mr Jack Defries. Sir, When a journalist of the calibre and experience of Clive Wolman starts decrying in your "Lombard" column (January 7) the forecasting of the level of markets by investment managers and analysts, he should not be dismissive of those who use technical analysis.

There must be quite a few fund managers and others who use charts to assist them in foring projections:
Consistently, technical analymulating their views and mak-

sis has been proved to give above average results in fore-casting; evidence for this is readily available.
While we have now bid 1987

goodbye, I am looking forward to 1986 No, not the year, but a level for the FT-SE 100-share index - and well before the end Jack Defries, 43 Brampton Grove, Hendon, NW4

Holidays depend on a degree of prudence

> From Mr Colin Hedderwick Sir, While I agree with Mr Thornton's view (Letters, January 9) that the poor real investment return on market value of pension plan assets in 1987 does not automatically affect a company's ability to take a con-tribution holiday, I would query his logic in arriving at that conclusion. He appears to believe that the

Letters to the Editor

market value of an asset and its view of income-producing unaffected by short term movemarket value of an asset and its view of income-producing income-producing potential are potential downwards, his cliunrelated. In fact, the market ent's surpluses will decrease, value is the market's assessand tha company's ability to ment on a given day of the take a contribution "holiday" asset's income-producing potenasset's income producing poten-tial. One has only to read com-pany reviews by market analysts to see the extent of the

was that the market as a whole reassessed its view of this future earnings potential. Investors responded to this reassessment, and became net sellers, causing market values

are maltered by the change in market values, and dividends for 1989 and following years will only be revealed by the passage of time. The market cannot have been right about future earnings both at the start of last October and at the end. Clearly this does not prove that a third assessment - by the actuary of the asset's income-producing potential - is

In my experience, all actuaries have in practice revised their method of assessing dependent on the subjective view of the actuary rather than

the market's view of the future. In fact, continuation of conresearch into quoted companies' expected future earnings tribution holidays is dependent on the degree of prudence exercised by the actuary in his original part of the actuary in his original part of the second o inal advice, not simply on whether the assets are valued to reflect the actuary's subjective view of their value. Colin Hedderwick, The Wyatt Company (UK)
Park Gate.

to fall.

It is certainly true that companies' actual future earnings

Problems if a fu Problems if a fund is barely solvent

> From Mr S.T. Presnell Sir, Having read Eric Short's article "Pension Fund Holidays Set Back," January 5), I am a little concerned that many readers may worry unnecessar

Advice given to trustees about the finencial state of their pension funds is usually based on accurrial methods and assumptions which involve long term projections of income and income-producing potential term projections of income and over the years. I have no reason to think that this process of placed on a scheme's assets revision is at an end. When - depends on assumed future divadd if - the actuary revises his idends, and so is generally

ments in market values.

Although the recent fall in the stock market was substan-tial, I would be surprised if it has caused many actuaries to revise their assumptions regarding the long term growth of dividends. It seems to me, therefore, that employers whose decision to suspend contributions was based on a discounted income method of financial control, need not now change their minds (unless the fund has a negative cash-flow).

There could be problems, however, for pension funds which were barely solvent on a discontinuance basia before October. If such a scheme were to wind up now it is likely that assets will need to be sold in the not-too-distant future, and it is quite possible that the fund would be insufficient.

· This situation may not be so unusual. Any pension plan pro-viding benefits for early leav-ers which are close to those for continuing members (for exam-ple, where the total pension is not much more than SERPS) may find the on-going funding level close to the discontinuance solvency level. S.T. Presnell, Prudential Pension Fund Ser-

vices, Abbey Gardens, 55 King's Road, Reading, Berkshire

Pension funds and dividend growth

From Mr Robert A. Bourn Sir, Both Mr Thornton and Mr Wynne-Griffith (Letters, January 9) make the point that the real rate of growth of dividends at 12.6 per cent a year com-pound over the past six years has been considerably in excess of price increases of 4.8 per cent and pay increases of 7.8

So may I ask why leading firms of actuaries only appear to allow a 4 per cent nominal growth of dividends in their actnarlal valuations, and surely, therefore, there remains a useful hidden asset in pensioo funds? Robert Bourne,

County NatWest Investment Management 28 Throgmorton Street, BC2

All City creatures great and small

Sir, Stephen Cockburn (January 11) lists Sir Kenneth Berrill's City experience, and suggests that he is a good case of noacher turned gamekeeper. But City game has become increasingly ausceptible to forms of infectious pestilence spread fast by high technology. These arrived at a time which found Sir Kenneth too old to master the epidemiology and become a proficient vet.

Joan Pick, 23 Maybourne Grange, Turnpike Link, Croydon, Kent

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City of Landon, The (04962 28233)	. Capital City Gold	7.05 7.35	7.05 7.35	ML/Yearty Yearty	£20,000 £17,500	Instant access. Tiered a/c Instant access. Tiered account
Coventry (0203 52277)		7.05 6.80	7.05	Yearly	£10,000 £5,000	instance, no pen, mility, lest. £10,000 6.83, £5,000 6.60
	3-year Bond	7.50	7.50	Yearly	£1,000	Withs, 90 days not /penalty.
Frome Selwood (0373 64367)	90-Day Option Gold Minor Acc.	7.50 7.50	7.50 7.64	Yearly 12 yearly	25,000 £1	fost acc/no pen if hal £5,000+ On demand:0-18 year-olds
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	90-Day Xtra 90-Day Xtra	7.00 7.25	7.12 7.38	ML/2-yrly	£10,000 £25,000	instant where 25,000 remalus
Hendon (01-202 6384)	Annual Shares	8.00 6.90	8.00 7.02	Yearly 1 _{2-yearly}	23,000 2250	6m. not./imm, ac. with 3m loss int 3 months notice or penalty
Lancastrian (061 643 1021)	Masterplan Felly Paid	7.50 4.10	7.50 4.14	Yearly 1 _{2-yearly}	£15,000 £1	instant access so penalty instant access so penalty immediate
Litarragum upu v	Righ Flyer	7.50 6.75	7.50	Yearly	210,000	Withdrawals on demand
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Lands Permanent®	Capital Access Liquid Gold	7,50 6.00	7.50 6.00	Yearly Yearly	25,000 25,000	Same N/A no bel £10,000+ 6.50 £5K+ 6.75 £10K+ 7.00 £25K
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Marsden (0282 692821)	Pay & Save Rainbow Rainbow	7.75	7.75	Yearly	250,000	Min. bal. £500+ tiered lat.
Mornington (01-485 5575)	28-Day Account.	7.50 7.25	7.50 7.38	Yearly 1 ₂ -yearly	£25,000 £1,000	+ lostant access no penalty 28 days' notice or penalty
National and Provincial*,	Motice Account Monthly Income	7.50 7.20	7.50 7.20	Yearly Monthly	2500 21 000	90 days' notice/ penalty poder \$10,000
	Inst. Access +	7.00 8.00	7.00 8.00	Yearly Yearly Yearly	£30,000 £25,000	No notice no penalty Immediate # £20,000 remains
Mationwide Anglia (01-242 8822)	Capital Bond	7.50	7.50	Yearly	21,000	90 Days' notice or penalty
	Somes Sultder Capital Bonus	7,00 7,50	7.00 7.50	Yearly Yearly		6.75 £10K+ 6.50 £5K+ 6.25 £2K+, 5.75 £500+ 4.00 £1+
	Income Soud	7.25		Yearly Mouthly	£25,000 £2,000	7.25 £10K+, 7.00 £5K+, 6.75 £500+ 90 days' motice or penalty
Newbary (0635) 43676	lostant Premium 7rensure Plus	7.25 7.60	7.25 7.60	Yearly Yearly	E25,000	Instant access. Thered a/c 3 mths. not./pen. Tiered a/c
· Newcastle (091 236676)	Nova Plus	7.30	7.30	Monthly	£20,000	Instant access, tiered account.
Northern Ruck (091 285 7191)	Mayspiener.r	7.50 7.05	7.50 7.05	Monthly Monthly	220,000 £10,000	Instant access no penalty Instant access no penalty
	Prem. Gwith, Bad.	6.60 7.30	6.60 7.55	Monthly	55,000 55,000	6.35 £500+ instant access No wills. 1 yr. then no not /pm.
Norwich & Peterlrigh (17733 51491)	7wo Cities	7.05	7.05 7.50	M./Yearly	£5,000	28d nat/28d pen Gtd &f 3,05
Peckham (freephone Peckham)	Super Shares	7.50 7.50	7.76	Yearly Montaly	£10,000 £2,000	90 days notice/penalty £2,000+ no notice/penalty.
Portsman (0202 292444)	Prem Plus \$2s. 3-Year Share	7.25 7.75	7.25 7.90	M/Yrly M./l _{2-Yrly}	250,000	3 mths. notice/imm. 1 mth. pop. No restrictions over £10,000
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	Capital	7,00 6.75	7.12 6.86	1 ₂ -yearly M./1 ₂ yrly	£1 £500	No notice no penalties 90 days out/pen., £10K+ iono.
1	Prime	7,00	7.00	Yearly	£20,000	instant access. 6:00 5500+, 6:50 55K+, 6:75 510K+
	Guratri, Prin.Shs. Platicum Kay		7.50 7.00	M./Vearly	210,000	90 days' not pert £10K+ from,
	Platinum Key	7.25	7.25	Yearly Yearly	220,000	60 days' notice /peculty Instant over £10,000
<i>i</i>	Platinum Key	7.50	7.50	Yearly		instant over £10,000

It is fund managers who must take the blame for the losses

From Mr Keith Phoir.
Sir, The frenetic covering of short dollar positions in the foreign exchange markets last week appears to me to have at least one factor in common with October's equity market crash, namely that many fund managers try to delay important asset reallocation decisions until the very point when the market

Such a pervasive emphasis by fund managers on market tim-ing has a much more serious effect on market stability than any of the mechanisms or processes used to control or operate in the markets. This forms the basis of the principal lesson to be drawn from the events of the last six months.

The reasons for the phenome non are complex. They include rapid dissemination of information, concentration by fund managers on short term performance against indices or com-petitors, and the subordination of fundamental analysis to (so-called) technical analysis.

All these help well-informed fund managers feel comfortable about following their friend the trend – but get out quickly

when the turn comes. Unfortu-nately, circumstances can conspire to make the turn apparent to everyone in the world at almost the same moment, resulting in a market where buyers overwhelm sellers, or

Thus the UK's hurricane of gest that the next few months
October 16 combined with a will see big improvements in
sliding New York market the neminal trade deficit?
between October 13-16 to It is fund managers who must ensure that the London stock take the blame for the losses of market was dominated by sell—their investors — after all, it is ers on October 19 — taking the they who are paid to distin-FTSE 100 down 269 points guish price from value, selling (11.7 per cent) even before New when price exceeds value and York opened to the news of buying when value exceeds fresh trouble in the Gulf.

Similarly, last week's surprise appearance of the world's fessional advisors to blame the central banks buying dollars market makers: a market was also not a change in fundamentals, but cartainly provided at least a temporary realisation that the dollar was not an autoput that the dollar was not

matic sale, as it rose more than
The collar was not an automatic sale, as it rose more than
The cent in three days.

Why did so few fund managers of back last summer and switch from equities to gilts investors caught in a one-way (which then yielded more than three times as much, with real returns of over 6 per cent)?

Why did they generally fail to stock index "arbs" – but right

conclude (before the central to blame the widespread use of must think before leaping on to banks) that a dollar which had stock index futures for portfo-halved in value over the last 33 lio insurance which exacerbates assets on the basis of fundamonths (including a 17 per cent fall in the last five months of 1987) was beginning to look a little cheap, especially when the US trade volume data sug-

York opened to the news of buying when value exceeds

stock index futures for portfo-llo insurance which exacerbates the extent to which the markets mentals can be extremely can move in one direction without a major reversal, it is wrong to expect markets to be "liquid" enough to enable investors to escape the consequences of investment decisions which were not fundamentally sound. Many people have "invested"

They did not assess value, but merely relied on a greater fool to take them out at a profit. Tha clear message for the future is that investors and their fund managers must be responsible, prudent and inde-pendent assessors of value in deciding asset allocation policy. They must justify their deci-sions with reference to fundamental value, not trends, charts, or fashions. They must

Fund managers must be trustees of the funds they man-age, and individual investors Beaconsfield, Buckinghamshire

rewarding: one dollar-based fund manager of my acquain-tance showed gains on a half equity/half bond fund of 62.2 per cent in 1986, and a further 19.5 per cent return in 1987 (a compound return of 22 per cent a year even in sterling terms). The more people invest on this in recent years in the expectabasis, the more gulckly the global markets will find solid tion of a quick capital gain. support and rebuild confidence. Finally, a cautionary note. Statistical distribution theories suggest that, for a market to be fairly valued, at least some people must think them sufficiently undervalued to continue to invest heavily. Hands up everyone who thinks that London residential property or the Tokyo stock and property markets are very cheap. I hope there are some, or we shall see further misleading stories of financial "collapse" appearing in the "popular" press. Keith Phair, accord the preservation of capital a higher priority than the maximisation of potential Cherrystones

TSB meets expectations with rise to £275.5m

BY DAVID LASCELLES, BANKING EDITORR

THE Trustee Savings Bank Group yeeterdsy reported a eteady rise in profits for the yesr ending October 31 1987 its first full year since its flota-tion in September 1986. And it said that after making several acquisitions, it is moving into a phase of consolidation.

The group earned profits before tax of \$275.5m. However, this was for a 49-week period because of a change in its year- end. The comparable result for the first 49 weeks of 1986 was a profit of £205.6m.

TSB indicated that the best measure of its performance was the profit from its business operations which excludee income on the capital it is holding for investment — mostly the flotstion proceeds. This amounted to \$224.5m, an annualization process. alised increase of 19 per cent.

The final dividend will be 2.36p, making a total of 3.53p, an increase of 10.3 per cent. The results were in line with the City's expectations, and the share price closed unchanged at

Sir John Read, the chairman, described 1987 as "a year of sustained growth and achievement", and pointed out that the TSB's diversification efforts meant that non-banking business oow accounted for 35 percent of total profits

cent of total profits. Giving the breakdown of its profit sources, all on an annu-alised basie, TSB said that banking activities had earned 152m before tax, up 13.4 per now intended "to bed down" its ent. Insurance and unit trust acquisitions and concentrate on



Sir Ian Fraser, left, deputy chairman of TSB Gront and Sir John Read, chairman, at the aunouncement of the results yesterday

business included a 32 per cent rise in advances to customers to \$5.80n, including a 56 per cent rise in mortgage lending. On the other hand, the charge for bad and doubtful debts was down from \$58m to \$55m

Sir John said that the TSB

services were up 18.8 per cent at \$41.7m; credit card operations up 9.7 per cent at \$12.4m; finance bouse services up 109.5 percent at \$19.9m, and vehicle activities up 17.8 per cent at \$8.6m.

The main festures of the business included a 32 per cent the form of debt.

Shortly after the very and

Shortly after the year-end, TSB bought Hill Samuel, the merchant banking group. Mr David Davies, the chief execu-tive, said that areas of cross fertilization between the two companies would be developed.

See Lex, Back Page

Berisford revises cocoa deal

saw Berisford, the sugar ments have not been changed, refiner and commodities trader, the venture will now begin with is no longer to issue up to 10.3m shares to W R Grace, the US conglomerate, as part of the two companies' plans to com-bine their worldwide cocoa-pro-

are expected to be announced within a few weeks.

Each company will contribute the same processing plants, Berisford's in West Berlin and the Netherlands, and Grace's in the Netherlands, Singapore and the US, to the vecture. The plants can process a total of 180,000 tonnes of cocoa beans a

few liquid assets and very little debt. Funds will be raised through its own borrowing rather than from the parent

cessing interests.

Berisford said yesterday that the joint venture, first announced in June last year, had been renegoriated. Details per cent, based on the proported to be appropriated. its is likely to fall from the original 32 per cent to about 25 per cent, based on the propor-tion of assets it is contributing to the venture.

There is not believed to have been any material change from figures published in October when Grace warranted net assets of at least \$156m (£88m) and Berisford said its plants were worth no less than \$61m. 180,000 tonnes of cocoa beans a year — about 10 per cent of world capacity.

Although operating arrange— that its share of the combined profits will still be higher than those from its own plants.

The revision approunced yes terday was the second eince the proposed venture was unveiled. Limits on the price at which the Berisford ehares had already

The sharp fall in Berisford's share price after Associated British Foods withdrew its \$767m takeover bid in Novem-ber, had made the share issue less attractive to both parties. Grace was less keen to take on shares so prone to fluctua-tion and in a company over which there is still long-term uncertainty. For Berisford, issuing more shares at a lower price would have increased the

threat of earnings dilution.

ABF's withdrawal, moreover, means that Berisford no longer has an imminent need to place an additional 6 per cent shareholding in friendly hands.

Wigfalls loss rises to £0.84m

Wigfalls, electrical retail operations and £652,000 from extraordinary item in the year-group, has reported that the rentals, financial outcome of the sale of the directors said that fol-

group, has reported that the financial outcome of the sale of its rental and services operations in the period under review has been less satisfactors. The disposal, customer disappointing in October and November and although they improved during December and January the directors thought that lower retail prices would have affected profitability. The group believes that the success of the sale. Salfo,000, due mainly to a turnround in the second half.

Turnover in the latest period was \$27.94m (\$26.5m). This included \$27.29m from retail to the disposal, customer disappointing in October and November and although they improved during December and January the directors thought that lower retail prices would have affected profitability. The group believes that the success of its large out of town stores confirms the long-term strategy of concentrating on larger retail units is correct. The need remains for a rapid include the final cost as an 18.5p (15.9p).

Pru new life business advance

A SUCCESSFUL year for new life and pension business in its worldwide operations in 1987 is reported by the Prudential Corporation, insurance and financial services group.

Single premiums surged from £817m to £1.28bn and new annual premiums climbed from annual premiums climbed from £324.7m to £372.2m. The underlying growth rates, allowing for exchange rate changes, the acquisition of the US life. ing for exchange rate changes, the acquisition of the US life company Jackson National Life and the ending of the South African operations, were 42 per cent for single premiums and 13 per cent for new annual premi-

The market regarded these business reflected the success results as highly satisfactory, of the Prufund investment the share price rising 16p to bonds. close st 344p.

The new business operations premiums more that in its UK operations, new of Prudential Holborn, which new annual premiums on its ordinary incorporates the results of Vanneary 60 per cent.

The growth in single premium

This continued success of Prudential in the individual pensions field augurs well for the future new pensions environment coming into operation from April.

UK group pensions business showed a slight increase in new annoal premiums from £25.4m to £26m and greater growth in single premiums from £138.3m to £162.4m.

Overseas life and pension operations showed steady progress in Australia, where sales of investment bonds saw single premiums more than treble and new annual premiums up

GrandMet lifts bid for Martell to £457m

By Lisa Wood

THE BATTLE for control of Martell, the French cognac house between Grand Metropolitan, the UK drinks group, and Seagram, the Canadian drinks group, intensified yesterday with GrandMet lannching a final offer of FFr 3,300 per chare, valuing the commany at FFr

offer of FFr 3,300 per chare, valuing the company at FFr 4.57bn (£457m).

The hid tops by more than 10 per cent the Seagram bld for Martell, made earlier this week, which offered FFr 2,975 a chare and leap-frogged a FFr 2,825 a share bid by GrandMet.

Family-controlled Seagram is Martell'e preferred owner and the Martell family made its feelings clear when it received the last Seagram offer. Seagram said yesterday that it had

said yesterday that it had ne reason to believe that Martell had changed its

However, the latest GrandMet hid will clearly force Seagram to review the situation. Any higher bid nuder French law would have to be five per cent higher than that of Grand-

The French Pinance Ministry gave the go-shead this week for both of the comweek for both of the com-peting foreign bids for Mar-tell, France's second largest cognac house after delibera-tious on whether an initial private deni between Sea-gram and Martell infringed French stock exchange

GrandMet, which already owns 19.9 per cent of Mar-tell and has a distribution agreement with the company said that the offer was conditional on it acquiring 50.1 per cent of the com-pany in which Seagram has a stake of 12 per cent and the Maxtell family controls 41 per cent. Comparable offers will be made for the convertible bonds of Mar-

The effer represents a multiple of 28 times after tax earnings forecast by Martell for the year ended June 30 1988 taking into account shares of Martell already owned by Grand-

already owned by Grand-Met. Mr Allen Sheppard, chair-man and group chief execu-tive of GrandMet, said: "At this price our estimates show that in the next full year the effects on Grand-Met's profits will be neutral and that an increase in earnings per share will be achieved in subsequent

Both Seagram and Grand-Met are keen to acquire the Martell cognac brand with GrandMet also wishing to acquire the cognae house because of its strategic importance in expanding markets such as the Far

East. See Lex, Back Page

Enterprise Oil

Enterprise Oil, the inde-pendent ell company, has sold its 1.56 per cent inter-est in the Fulmar Field to Amoco, another participant in the Nerth Sea field. in the Nerth Sea field.

Enterprise did not disclose the price, although it said the field accounted for 4 per cent of its oil production in 1987. The Enterprise share in the field was scheduled to yield 2,230 barrels n day in 1988, and 1,800 h/d in 1989.

Enterprise said the sale would allow the company to achieve a better balance between its exploration activity and liabilities under the petroleum revenue tax.

nue tax.

British Gas

British Gas yesterday said it would pay \$250m to the Treasury in April – after the March 31 end to its accounting year - as the eecend instalment fer repayment of its \$2.5hm Government dehenture, which was issued at the time of privatisation. Payment is according to n schedule in the prospectus, with the final payment due in 1992.

Queensway sells Home Charm

Harris Queensway.

The acquisition will take Stanley's store count over 500 with around 1.4m square feet of selling space, and will take it in to 75 towns where it did not pre-

wions where it and not proviously have an outlet.

Home Charm was trading profitably, making \$546,000 before tax and exceptional

perore tax and exceptional items in the 43 weeks to January 25 1987. However, Harris Queensway bore exceptional costs of £3.2m involved in rationalising the product range and closing unprofitable stores.

Share Prices (rebased)

Harris Queensway yester-day seld another of its peripheral activities - Harris Heme Charm, the paint and wallpaper retail chain, acquired less than two years ago from Great Universal Stores - as part of its strategic return to its core furniture and furnishings business. Last November Harris Queensway sold its loss-incurring electrical chain, Ultimate, to Woolworth for \$8m. peripheral activities – Har-

The buyer this time is A G Stanley, which already has a large high street presence in the home decorative marin the home decorative mar-ket through its Fads and Decor 8 chains. Stunley is paying a total of \$7.5m in cash for Home Charm. Of that, £1.3m will be paid to Home Charm to repay a loan of that amount from

The purchase price was 54m Harris Queensway shares, worth £133m when the deal was put to shareholders in July 1986 and the share price was 246p. Yesterday'e closing price for the shares was 130p, up 4p. Harrie Queensway

The present is less so. Only the arrival of new management and the sales of Ultimate and now Home Charm have overlaid

arrived in June last year and started a strategic review of The money is not much but

it's another sign that the man-

too much management attention at a time when Harris Queensway's priori-ties are to solve its probties are to solve its prob-lems elsewhere.
Stanley will finance the acquisition and raise some further cash through an issue of 8.2m convertible preference shares at 100p which will be effered to existing chareholders on a two-for-nine basis. Williams Holdings, which has a 25.8 per cent etake in Stanley, said yesterday that it will take up its entitlement.

take up its entitlement.

The convertible preference shares will carry a fixed annual coupon of 5.75p net and will be convertible at a price of 180p per ordinary chare, compared with yesterday's closing price of 172p, down 2p, between May 1991 and May 2003.

Maggie Urry considers A.G.Stanley's latest expansion

Dominating the high street decorators

HAVING BEEN vociferous in its successes, and loud even when its troubles started, Harris Queensway is keeping as quiet as possible while it struggles to regain its footing.

Its past is well documented—the rapid expansion, a more frenzied diversification in the mid-eighties, and the eventual

mid-eighties, and the eventual downfall last summer when Sir Phil Harris, chairman, forecast a sharp fall in profits for the

now Home Charm have overlaid the usual trading reports.

Yet if Harris Queensway does recover — and at least one retail analyst has picked it as his share of 1988 — these last and next few months will prove to have been the turning point.

Yesterday the sale of Home Charm was greeted by the City as a sign of the new management's determination. Mr Martin Watts, chief executive, arrived in June last year and

agement is getting to grips with things," says Mr John Smith of Morgan Grenfell Securities.

Speed in getting rid of the unwanted parts seems to have been given a higher priority January 1987, as Harris Queenthan holding out for the best price. The sale of Illimate for 28m, compared with a book value of \$12m, seemed a good buy for Woolworth, though the difficulties in electrical retailing since makes Harris Queen ley was recovering from the sale of the Home Charm "we are now totally dominating the high street. It makes us a very big business in our field," says Mr Regan. With more than 500 shops Stanley will have 14 per cent of the UK paints market and 17 per cent of the wallcovering market.

Mr Regan is confident in predicting that there will be no dilution of Stanley's earnings as ing since makes Harris Queen-ley was recovering from the ing since makes Harris Queen-sway's timing look better.

A.G. Stanley

Harris Queensway

declined to comment on the sale yesterday. It is thought that although Home Charm was profitable it required

early part of the decade.

Here too the story is one of new management. Although the worst was behind Stanley when worst was behind Stanley when Mr Roger Regan, group managing director, arrived in 1985, it was he who introduced the current trading phllosophy and took the two major expansion steps — acquiring Jacoa, the Decor 8 group, last August and

Home Charm.

The philosophy reflects the belief that when it comes to the decorating end of do-it-yourself is women who choose the paints, wallpapers and fabrics. And women, Mr Regan asserts, are happier shopping in the high street than in huge out-of-town sheds.

While Harris Queensway was dicting that there will be no enduring its troubles, A.G.Standilution of Stanley's earnings as ley was recovering from the difficulties it experienced in the acquisition.

Doyle considers move in Waverley battle

BY CLAY HARRIS

MR KEVIN DOYLE, the Edin-ments over rival suggestions burgh businessman who is from Mr Doyle's Flavelt Com-opposing the terms of Mr James munication was "the suitability Gulliver's proposed manage-of Mr Doyle as a potential con-Gulliver's proposed manage-ment buy-in at Waverley Cameron, yesterday considered his next move in the battle for the Scottish stationery manu-

June 1978. He was sentenced to Waverley Cameron said on nine months in prison after being found guilty of defraud-led it to prefer proposals from Mr Gulliver's Sanda Invest- connection with building work relevance to my objections to - to be need in about a month a the Sanda deal with Waverley time - would be in the form of Cameron."

He believes the share issue only a simple majority of votes which would raise Sanda's cast.

from Mr Doyle's Flavelt Communication was "the suitability of Mr Doyle as a potential controlling shareholder."

This is believed to refer to Mr Doyle's conviction for fraud in am aware of the situation, and I the High Court in Edmburgh in June 1978. He was sentenced to relevance to my objections to

Sears acquires

more shares

Kenyon £11.5m expansion

Kenyen Securities, one of the three funeral directors quoted on the Unlisted Securites Market, is expanding with the £11.6m acquisition of Dottridge Brothers, Hertfordshire-based undertakers and monmental masons.

The provides of the vendors and by a vendor placing to raise £7.54m in eash. It will increase the number of Kenyon's branches by 35 to 101 and take the number of funerals handled each year from 12,500 to more than 18,000. mental masons.

The purchase le to be financed by the issue of new are to be issued, some 32 per

Placing of Butte shares

Warburg Securities has significant increase in Butte's placed with clients 8m shares in Butte Mining, which gained a London quotation last October.

The shares, representing 13.33 per cent of Butte, went to Warburg's clients for 130p each Based on current metal prices the undiscounted presented presented are accepted. compared with 100p when 25 per cent of the company was floated last year. Butte'e price last night closed

at 135p, down 10p.
Dr Roy Bichan, Butte's chairman, said last night that the shares placed by Warburg had come from existing shareholders but that none had been sold by Robertson Research, the UK listed mioing consultancy which owns 16.7 per cent of the Butte county Butte equity.

Mr Bichan also announced a

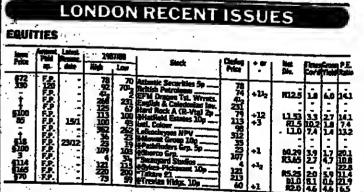
anticipated.

Based on current metal prices, the undiscounted pretax net worth of the recoverable, in-situ metal reserves, after operating and capital costs, is expected to be more than \$200m compared with the value of "not less than \$137m" given at the time of the listing, he added.

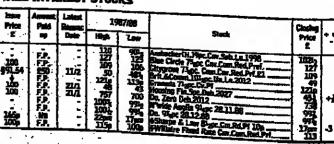
Butte expects shortly to conclude custom milling contracts for production capacity of up to 1,000 tons a day, which will be in addition to that originally planned.

in Freemans cent of the enlarged equity. Of these, 1.4m will be retained by the vendors and the balance these, 1.4m will be retained by
the vendors and the balance
placed by William de Broe Hill
Chaplin & Co at 270p per share.
Pompes Funehres Generales,
the Paris-based funeral group
which holds 10 per cent of Kenyon's equity, has underwritten
the whole of the placing eleiment of the issue which could
leave it with 28 per cent of the
enlarged share capital. There is
no claw-back facility.
Dottridge made pre-tax profits of \$425,000 on turnover of
\$2.5m in the year to April
1987, compared to profits of
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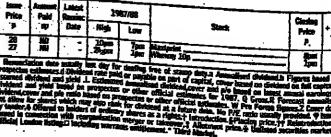
Sears, the retail, betting and



FIXED INTEREST STOCKS



RIGHTS OFFERS



Philip Coggan looks at the latest boardroom battle involving Bremner's durable Rowland-Jones

Corporate character squares up for another showdown

involved in a bid battle for Retia Phoenix, and later he suc-

AS OPERA buffs well know, "it's never over till the fat lady eings." Mr Jamee Rowland-Jones may be removed from the boards of Raglan Property eings." Mr Jamee Rowland-Jones manufacturer Phillips chairmanship of Bremner at Monday's extraordinary general meeting, but he has ensured that defeat at Glasgow's Central Hotel will not be battle at Land and General Sow's Central Hotel will not be battle at Land and General If Mr Rowland-Jones is outvoted on Monday, a requisition for a further EGM, on March 24, will automatically come into effect. At that meeting, Mr Penny Brahms, an ex-model breing of the removal 24 will automatically come into effect. At that meeting, Mr Penny Brahms, an ex-model brown by Mr Rowland-Jones will propose his reinstatement and the removal a shilling and four nude pictures of herself, was proved a finite of his opponent. Glasgow stockbroker, Mr Pennis McGulanness.

It is a typically resourceful move by Mr Rowland-Jones, 61, who has been battling in and out of the boardroom for more than 20 years. In 1967, he was involved in a bid battle for Retia Phoenix, and later he suc-

and the second of the second o

pointed. In November, Mr McGninness called for his removal at an EGM on the grounds that Bremner needed directors with more experience of financial services.

Mr Rowland-Jones wanted to hold the EGM this coming June, on the grounds that only then would Carswell's profits for the current year be revealed. As the acquisition consideration for Carswell was dependent on those profits, Mr Rowland-Jones argued that it would not be in shareholders's interests for Carswell nominees to be the only directors in office. However, Mr McGuinness disputes these points and managed to win approval for an earlier EGM date in the Scottish courts. He now claims the sup-port of 6.7m proxy votes,

nearly enough to secure victory

IS

Mr. nads

MATIONAL AND REGIONAL MARKETS	- 1	THERS	MATHAL YAC	Y 14 1988		WEDNESDAY JANUARY 13 1966			BOLLAR INDEX		
Figures in purentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1967/88 High	1987/88 Low	Year ago (approx
Australia (93)	97.92	L0	79.83	91.62	4.94	98.94	80.38	92.26	180.61	85.36	102.11
Austria (16)	93.23	-02	75.99 82.57	79.29	2.64	93.46	75.92	79.29	102.87	85.53	100.93
Capteria (49)		-0.4	82,57	85.81	5.53	101.72	82.64	86,05	134.89	94.63	102.86
	109.90	-0.4	89,57	302.78	3.03	110.30	89.61	102.92	141.78	98.15	108,32
Deamark (38) Fioland (23)	- 11400 ·	-0.3	93.45	98.19	3.02	175.04	93.45	98.10	124.83	96.18	114.54
Finland (23)	108.88	-10	88.75	91.28	1.63	110.01	89.37	91.85	-	_	-
	81.05	+0.1	66.06	70,31	4,21	80.99	65.79	70.03	121.82	77.39	108.39
West German (94)	72.12	+0.5	58.78	61.38	3.03	71.77	- 58.31	60.95	104.93	68.91	97.96
Hong Kong (46)	92.14	+1.1	7510	92.04	5.71	92.18	74.07	91.03	158.68	73.92	100.85
Ireland (1,4)	109.03	+0.4	88.87 60.71	94.69	4.78	108.60	89.22	94.08	160.22	93.50	109.68
Italy (94)		-LL	60.71	67.08	2.85	75.33	61,20	67.51	112.11	72.04	104.00
Japan (457) Malaysia (36)	141.37	+14	115.22	113.22	0.62	139.47	113.30	123.61	161.28	100.00	105.65
Malaysia (36)	114.60	-0.1	93,40	111.66	3.34	114.67	9316	111.56	193.64	93.76	109.80
Mexico (14)	96.16	+21	78.37	235.50	1.51	94.16	76.50	230,52	422.59	94.16	118.59
Netherland (37) New Zealand (24)	96.24	+0.3	78.44	80.71	5.58	95.98	··. 77.97	80.36	131.41	87.70	104.72
New Zealand (24)	78.10	-0.8	63.65	62.69	5,54	78.71	63.94	63.28	138,99	- 73.39	96.15
Morway (24)	J 1119.46	-18	84.32	4 88.75	3.08	105.35	. 85.58	90.05	185.01	95.51	105.27
Norway (24) Stagagore (26) South Africa (61)	100.30	+0.6	81.75	93.79	2.58	99.71	81.00	93.07.	174.28	81.21	109.09
	130.20	-0.4	106.12	87.59	4.87	130.75	106.21	87.95	198.09	100.00	114.06
Spain (43)	133,18	+0.6	108.55	112.30	3.60	132.35	107.51	111.09	. 168.81	100.00	116.04
Sweden (34)	97.67	-01	79.61	85.81	2.57	97.81	79.46	85.72	136.64	88.50	94.14
Switzerland (53)	78.06	+0.1	63.63	64.63	2.57	77.96	63.33	64.28	111.11	73.65	103.36
United Kingdom (331)	130.89	+0.3	106.68	106.68	4,37	130.49	106.00	106.00	162.87	99.65	108.26
USA (588)	100.28	+00	81.74	100.28	3.69	100.29	81_48	100.29	137.42	91.21	109.78
Europe (973) Pacific Sago (682)	101.36	+0.2	82.61	84.97	3.99	101:19	82.20	84.56	130.02	92.25	105.15
	137.77	+13	112.29	111.43	0.85	136.03	110.51	109.93	158.77	100.00	205.34
Euro-Pacific (1655)	123.24	+0.9	100.45	100.84	1.89	··122.13·	99.22	. 99.77	143.65	200.00	105.26
Vorth America (715)	100.79	+0.0	8215	100.44	3.65	100.83	81.91	100.46	137.55	91.68	109.71
acific Ex. Japan (225)	83.07 94.36	+0.0	67,71 76,91	71.28 89.14	3.62 5.07	83.04	67.46	71.04	111_97	78.89	99.25
World Ex. US (1857)		+0.9	100.12	100.88	1.96	94.56	76.82	89.16 99.87	164.03 143.38	82.92 100.00	102.47
World Ex. UK (2114)	112.46	+0.6	91.66	100.02	233	111.80	98.95 90.83	99.35	138.82	100.00	107.07
Norld Ex. So. Al. (2384)	113.99	+0.6	92.91	100.71	252	113.35	92.08	100.04	139.47	100.00	107.13
World Ex. Japan (1988)	10104	+0.0	82.35	91.51	2.52 3.84	101.01	82.06	94.36	134.22	92.98	107.89
The World Index (2445)	114.10	+0.6	93.00	100.64	2.54	223.46	92.17	99.98	139.73	100.00	107.17

ECONOMIC DIARY

TRADING VOLUME IN MAJOR STOCKS



(December).

MONDAY: CBI/FT survey of distributive trades (December). Retail sales (December-provisional). Mr Ednard Shevardnadze, Soviet Foreign Minister, pays two-day visit to Bonn. European Parliament in session in Strasbourg. EC Agriculture Council meets in Brussels (until January 19). Mr Paul Volcker, former US Fed chairman, and Mr Jacques de Larosiere, Bank of France governor, at Le pays two-day visit to Bonn. European Parliament in session in Strasbourg. EC Agriculture Council meets in Brussels (until January 19). Mr Paul Volcker, former US Fed chairman, and Mr Jacques de Larosiere, Bank of France governor, at Le Monde seminar in Paris.

TUESDAY: Bullding societies monthly figures (December). Index of output of the production industries (November). Cyclical indicators of the UK economy (December). Public sector borrowing requirement (December). Mr Shevardnadze wisits Spain (until January 22). Restart of perjury trial of former Pinance Minister Mr Hannes Androsch, now head of Austria's largest bank: CBI competer Show opens at the National Exhibition Centre, Birmingham. Management Forum tholds conference "Expert systems in business and the "Expected to announce he is running for president."

THURSDAY: London and Scottish banks monthly statement (December). Preliminary estimate of consumers' expenditure (fourth quarter). Enstitute of Personnel Management holds conference "Preparing to win at an industrial tribunal" at Rembrandt Hotel, London.

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FRIDAY: London and Courter (Durch of courter) at Rembrandt Hotel, London.

FRIDAY: London and Courter (Durch of courter) and Institute of Personnel Management fourth prepar

TOMORROW: National Savings professions at Cafe Royal, monthly progress report London, W1.

(December). WEDNESDAY: Provisional

ment. THURSDAY: London and

FT.	– ACTU	ARIES	INDI	CES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	RUITY GROUPS SUB-SECTIONS	f	riday	James	ny 15	1986	3	14	Jan 13	Tee 基 12	(sbbuan) são Asta		Highs and	Lows Index	
				Est.	Gross Dhy.	ESL.	nd adj.								ACE .
	gures in parentheses show raber of stocks per section	No.	Stay's Change %	Yieldx	YHE% (ACL # (27%)	Ratio (Het)	1988 to date	ladex No.	Index No.	ladex No.	No.	ligh Kigh	7/86 Low	Comp High	Low Low
1	CAPITAL 60005 (208).	743.69	+1.7	9.66	3.89	12.98	0.15	731,61	728.95			1038.07 16/7 /67	618.07 10/11/87	1038-07 16/7 /87	50.71 13/12/
2	Bollding Materials (30)	982.49	+22	20.03	3.83	12.49	0.43	961.68	963.52	967.32		1381.06 16/7 /67	798.03 4 /12/87	1381.65 16/7 /87	44.27 11/12/
3	Contracting, Construction (33)	145.97		9.39	3,51	14.14			1397.45			1951.50 16/7 /87	1115.39 10/21/87	1951.50 16/7 /67	71.48 2 /12
4	Electricals (12)	2549.27	+21	9.14		1417			1995.64			2733.45 28/7 (67	1661.76 18/11/87	2233.45 2817 187	84.71. 25/6
5	Electronics (32)	1536,44	+10	10.42	3.40	12.53			1513.29			2236.70 17/7 /67	1375.66 1 /12/87	2236.70 17/7 /87	1229.01 6 /19.
6	Mechanical Englaceries (57)	386.79	+2.0	9.62	4.26	13.09	0.14	379.38	374.23			544.57 14/1WE7	296.26 19/11/67	544.57 14/10/87	45.43 5 A
8	Metals and Metal Forming (?)	45.15	+0.4	9.28		13.00	0.00	453.33	451.83	457.00	463.64	596.67 9 /10/87	348.64 9 /11/87	596.67 9 /10/47	49.65 6 /1
9	Motors (13)	220.06	+28	20.70	414	10.87	0.00	273.34	269.68	270.63		411.42 13/10/87	221.69 4 /12/87	411.42 13/10/67	19.91 6 /1
10	Other Indistrial Materials (24)	1254.77	+1.5	82	434	14.30			2232.99			1736.80 22.9 187	1051.78 14/11/87	1736.50 22/9 /87	277.55 15/1 61.41 13/12
21	CONSUMER GROUP (185)_			8.45		25.08		1921.25 971.43	2012-30 96A.23		952.20	1406.32 16/7 /87	919.77 9 /1,1/87	1496.32 16/7 /87	69.47 13/12
22	Brewers and Distillers (21)	990.34 856.59	+1.9	11.19 8.97	1,98	11.34 14.36	9,02	237.43	821.89	231.04	762.99	1269.35 16/7 /87 1092.25 16/7 /87	725.65 9 /11/87	1269.35 16/7 /87 1892.25 16/7 /87	59.67 11/12
25 26	Food Manufacturing (23)	2104 18		7.58		17.51			2044.15			34120 101 RI 249.% 147 RT	1848.05 18/11/67	2649.96 16/7 /87	54.25 11/12
27	Health and Shoretald Products COD	1805.00		6.50		28.35			1706.33			2699.85 16/7 /87	1598.82 10/11/87	2699.85 16/7 /87	175.38 28/5
29	Leisme (31)	1376.47	+22	7.38	3.88	16.90			1146.73			1504.79 13/10/87	943.07 9 /11/67	1504.79 13/19/87	54.83 9 /1
31	Pacicasion & Paper (16)	500.44		8.47		15.54	0.24		499,99			739.42 16/7 /87	427.56 10/11/87	739.48 16/7 /87	43.46 6 /1
32	Publishing & Printing (16)	3468.94	+1.8	6.42		19.69		3457.57	3445.82		2999.76	5070.66 5 /10/87	2713.49 2 /1 /87	5970.66 5 (18/87	55.01 6 A
34	Stores (35)	834.86	+4.9	9.03		1486	8.81	227.02		233.16	879.38	1360.58 29/7 /87	749.46 3 /12/87	1160.58 29/7 /87	52.63 6 /1
35	7extiles (17)	598.52		10.96		10.53	0.00	577.58	574.59	580.32	605.01	91452 2 /10/67	515.17 30/11/87	914.52 2 /10/87	62.66 13/12
40	OTHER GROUPS (92)_	2412	+31	19.39	4.17	11.97	0.03	157.34	851.76	847.91	877,A9	1192.48 \$ /10/87	759.10 18/11/87	1192,48 \$ /10/67	58.63 6 /1
41	Agencies (19)	111A.28	+47	6.53		19.49			1058.27			1795.57 1217 187	874.35 4 /12/87	1,795.57 17/7 /87	870.35 4 /12
42	Chemicals (20)	1118.82		9.13		13.45			1079.46			1545.46 5 /10/87	920.61 10/11/67	1545.A6 5 /19/87	71.25 1 /12
43	Congiomerates (13)	1116.22		10.02	4.40	11.46			1148.49			1547.61 8 /28/67	975.19 10/11/67	1547.91 8 /10/67	975.19 10/11
45	Shipping and Transport (111).			9.19		14.26			1771.53			2497.85 16/7 /87	1535.32 9 /11/67	2497.85 16/7 /87	98.80 29/6
47	Telephone Networks (2)	923.91 1173.31	+31	11.65	4.58	11.42	0.00	8%.M	1119.05	886.24		1274.14 9 /6 /87 1773.70 5 /10/87	813.48 7 /12/87 1039.40 10/11/87	1274.14 9 /6 /87 1773.70 5 /10/87	517.92 30/11 60.39 6 /7
48	Miscellaneous (27)					9.27									
49	BIBUSTRIAL GROUP (415)	932.88		9.29	3.77	13.55	8.17	2078		909.46		1268-96 16/7 /87	894.87 10/11/87	1268.86 16/7 /87	59.01 13/12
51	OH & Gas (15)	1739.16	_	9.56	5.66	12.96	6.00		1699.17			2458.68 16/7 /67	1487.40 2 /12/87	2458,68 16/7 /87	87.23 29/5
59	900 SHARE BUDEX (500)	1001.22		9.33	4.05	13.45	0.16	979.74	973.00	977.33		1369.88 16/7 /87	867.65 10/11/87	1364.88 16/7 /87	63.49 13/12
63	FINANCIAL GROUP (124)	658.74		-	4.77	_	677	648.87	HIM	647.63	656.A6	896.67 13/28/87	565.33 19/11/87	896,67 13/10/87	55.88 13/12
62	Banks (8)	A74.M		19.62	5.82	6.73	0.00	65R.46	653.40			998.38 16/7 /R7	577.39 4 /11/87	898.38 16/7 /87	62.44 12/12
65	lessmence (Life) (8)	775.67		-	4.72	-	9.00	956.63	940.33			1285.72 9 /10/87	821.55 9 /11/87	1285,72 9 /10/67	44.88 2 D
66	Insurance (Composite) (7)	SAM	+1.9	12.14	5.36	10.54	0.00	504.63	583.54	301.71		787.58 13/10/87 1399.56 17/7 /87	448.44 1 /12/87	707.58 13/18/\$7 1399.56 17/7 /87	43.96 13/12 45.86 16/12
67 68	Insurance (Brokers) (8)_ Merchant Banks (11)	353.45		1229	4.03	10.54	0.00	924.57 358.99	906.48 350.57	354.15	390.44	547.59 12/10/67	799.92 9 /11/67 306.65 10/12/67	547.59 12/10/87	31.21.7 /1
3	Property (52)	773.07		3.27	3.06	24.21	6.16	901.50	974.36	992.62		1374.86 16/7 /87	805.82 S /1 /87	1374.96 16/7 /87	56.01 204
70	Other Financial (30)	377.01	+8.9	9.27	416	13.77	9.64	395.46	39440	396.16	399.25	683.42 16/7 /87	339.79 1 /12/87	603,48 16/7 /87	33.29 17/12
n	lovestment Trusts (86)	836.33	_	-	3.64		9.32	B12.60	813.61	829.18		1287.90 5 /HO/E7	726.15 18/11/87	1207.90 5 /10/87	71.12 12/12
81	Milwing Finance (2)	63.40		10.83	3.76	11.23	0.00	455.41	465.56	442.34	367.21	727.93 3 /B /B7	336.92 10/11/87	727.93 3 /8 /87	66.31 39/9
91	Overseas Traders (8)	TE18.68	+2.0	9.49	5.01	12.44	0.80	972.34	900.78	972.33	803.67	1364.12 13/10/87	778.26 2 /1 /87	1364,12 13/10/87	97.37 6 /1
99	ALL-SHARE BIDEX (720)	909.36	-	-	ü	-	0.15	290.22	B84.71	882.52	291.38	1238.57 16/7 /87	784.81 19/11/87	1238.57 16/7 /87	61.92 13/12
_		listes	Day's	Day's	Dey's	Jan	Jee	Jan	Jan	-	Year		· ·	1	
		No	Change		Low	14	13	12	11	1	100				
-	FT-SE 100 SHARE HEREY A			1793.6			1733.4			1773.4		2453 A 16/7 197	7565 2 B //1/97	2013.A 16/7 /87	986.9 23/7

	FIX	(FD I	NTF	REST			AVERAGE GROSS REDEMPTION YIELDS			Fri The		1987/88		
							i		15		(approx.)	High	Low	
	PRICE SHINCES	Fri Jan 15	Day's charige	The Jan 14	ad adj. today	nt aris. 1988 to date	1 2	British Coverament Low 5 years Coopous 15 years	9.5	9.0	9.78	9.92 19/10/87 10.27 19/10/87	7.52 11/5 /87 8.53 8 /5 /87	
3	British Government 5 years 5-15 years Over 15 years Irredeemables All stocks		+0.82	122.69 136.95 144.85 159.47 134.50	0.20 0.34 - -	8.42 0.00 0.00	567890	Literium Syears Coupous 15 years 25 years 25 years 16 years 25 years 25 years 25 years 25 years 25 years Literium Syears 25 years 25 years 25 years	9.6 9.5 9.3 9.6 9.7 9.7 9.7 9.7 9.7 9.7	9.67 9.86 2 10.02 1 9.70	10.45 10.06 9.85 10.55 10.22 9.91	10.08 2 /1 /67 10.50 2 /1 /67 10.51 19/10/67 10.24 19/10/67 10.84 2 /1 /67 10.67 19/10/67 10.31 19/10/67 10.30 19/18/67	8.55 8 /5 /67 8.39 8 /5 /67 8.74 8 /5 /67 8.75 8 /5 /67 8.58 8 /5 /67 8.86 8 /5 /67 8.72 8 /5 /67 8.40. 9 /11/87	
6 7	Index-Linked 5 years Over 5 years	123,93	+8.14 -81.0-	123.76 112.36 113.13	:	0.00 0.15 0.14	1121314	Inflation rate 5% Over 5 Inflation rate 10% Surfaction rate 10% Over 5	rs. 1.5 rs. 3.9		1.72 1.92 3.55	4.83 19/10/87 4.63 19/10/87 4.14 19/10/87 4.65 19/10/87	2.03 20/5 /87 3.30 6 /4 /87 8.85 24/3 /87 3.17 27/3 /87	
9	Behenhers & Lunes	115.64	-0.12	115.77	-	0.61		Belo & Syears Looms 15 years	11.0	10.99	11.05	11.86 20/10/87 11.67 20/10/87	9.46 12/6 /87 9.79 23/3 /87	
20	Preference	86.54	+8.87	86.48	-	8.17	18	Preference	11.0			11.49 20/10/87	9.84 23/3 /87 18.05 22/6 /87	

pally section or group	Date date	Base value	Equity section or Group	Base date	Base value	Equity section or group	Base date	Base value
6 5	31/12/86	1114.07	Overseas Traders	31/12/74	100.00	Mining France	29/12/67	100.00
diff the .	31/12/86	1114.07	Mechanical Engineering	31/12/71	153.84	All Other	10/4/62	100.00
one Networks	30/13/84	517,92	Industrial Group	31/12/70	128.20	British Government	31/1 <i>2/</i> 75	
Mics	30/12/83	2646.65	Other Financial	31/12/70		Do. Index-linked	30/4/82	100.00
horistrial Materials	31/12/80	287.A1	Food Manufacturing	29/12/ <i>6</i> 7	114.13	Dehs & Loans	31/1 <i>2/1</i> 77	100.00
/Household Products	30/12/77	261.77	Food Retailing	29/12/67	114.13	Preference	31/1 <i>2/17</i>	76.72
Groups	31/12/74	63.75	lastrance Brokers	29/12/67	96.67	FT-SE 100 Index	30/12/83	1000,00
A Photograph & M.	4 -2		Con the Debilders The Course	1 T D-		Chart I ECAD ARY -	des TEs but	224

\$0pening leder, 1734.9; 10 am 1736.0; 11 am 1736.5; Noon 1738.7; 1 pm 1738.2; 2 pm 1776.9; 3 pm 1786.0; 3.30 pm 1781.7; 4 pm 1782.0

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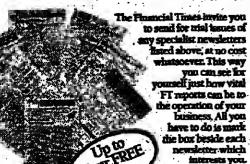
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Secretaria de la companya della comp

Paris brokers' activities earn bourse reprimand

BY GEORGE GRAHAM IN PARIS

THE FRENCH stock market authorities have shown their teeth by severely reprimanding two Paris stockbrokers for dealing to their own advantage.

But the condemnation has aroused a bitter reaction from the two secused stockbroking firms, Boscher and Puget, and raised serioua questions over the adequacy of the French Stock Exchange's rules govern-ing brokers dealing on their own account.

Mr Michel Puget, head of Puget, the firm which agreed recently to be acquired progressively by Barclays de Zoete Wedd, the UK securities house owned by Barclays Bank, said that he was furious the Commission des Operations de la Bourse (COB), the French regu-latory authority, had decided to publish its reprimend before

the stock exchange had carried out its own inquiry. We cannot see that anything can be reproached to us," he said yesterday.

Boscher, the other broker rebuked by the COB, was

equally indignant.

"There is absolutely nothing reprehensible in the operation we carried out," a Boscher dealer said.

Both brokers were accused by the COB of not acting with the the COB of not acting with the proper degree of neutrality in their dealings in ahares of La Redoute, the mail order company, in February last year, when Le Printemps, the retail group, was in the process of building up a 15 per cent stake.

Boscher made profits of FFT7.5m to FFT8m (\$1.3m to \$1.45m) by trading a block of \$1.45m) by trading a block of La Redoute shares on its own

by the COB of taking a profit of FFr3.5m on top of its normal commission for acting as intermediary in the sale of a large block of La Redoute shares by the Agache holding company to Le Printemps.

The two cases are somewhat different, but both raise the problem of the status of the stockbroker in the rapidly evolving French equity market. Mr Yves le Portz, chairman of the COB, said yesterday that his suthority was sticking to the view that French stockbrokers must still behave primarily as agency brokers acting on their clients' accounts.

The French Pinance Ministry however, has been trying to build up the counterparty activities of Paris brokers and financial houses in a bid to improve the liquidity of tha

Credit du Nord cuts more jobs

CREDIT DU NORD, the lossmaking commercial banking subsidiary of the recently privatised Paribas group, is expected to announce another round of radical job cuts in an effort to return to profitability.

After losing FFr458 m (\$82.9m) in 1986 the bank had hoped to move back into the

black this year, but the results of the restructuring have so far proved disappointing.
Credit du Nord recorded a

loss of FFr115m in the first half and suffered again from

from Madrid. Banco de Vizcaya, which

bought Catalana three years age, is to cover the capital

age, is to cover the capital increase, which will bring Catalana's funds up to Pta30bn.

Executives said the parent bank intended to retain control of its subsidiary, but that in theory up to 49 per cent of Catalana's equity could eventually be floated off.

Provisional results show that

Provisional results show that

Pta3.Sbn last year, against Ptal.1bn in 1986. Just over five

years ago, Catalana faced irre-

trievable paper assets worth Ptal10bn and doubtful assets

totalling Pta30bn.

made profits of

the upheavals in world finan-clal markets in October and

Trade union officials say the bank is planning another 500 early retirements and 1,000 redundancies, added to the 800 job cuts over the last two years which have reduced its workforce to 9,200.

Credit du Nord officials said they could not comment on the reports, but confirmed that studies were under way into both the bank'a workforce and its branch network. These

studies are expected to be com-pleted at the end of January.

The bank had been rumoured The bank had been rumoured to have lost heavily on the Matif, the Parls financial futures market. But bank officials say that Matif operations have been been profitable, with gains in the first half of the year outweighing losses in October and November Sub. October and November, Sub-stantial provisions will have to be made, however, on the bank's portfolio of bonds and

European Commission Spanish bank plans Pta15bn delays Fokker rescue capital increase

BANCO DE CATALANA, one of the most prominent casualties of Spain's banking crisis at the maker which on Thursday current total payroll of about announced plans to scrap 17 10,000.

per cent of its workforce, is The cutbacks are aimed st begining of the decade and now restored to health, is to double its capital through a Pta15bn (\$134.7m) increase. It will then being held up by the European Commission. offer 15 per cent of its equity on the Barcelona Stock Exchange, Tom Burns writes

The Commission said yester-day that it had just received additional information about the FI 645m (\$352.4m) rescue plan, first announced last October, and would take several more months to decide whether state aid was justified.

taking a 49 per cent stake in Meanwhile, Fokker and its

A DUTCH Government's rescue end of temporary contracts and plan for Fokker, the seroplane early retirement. Fokker has a

The cutbacks are aimed st saving Fl 100m and helping Fokker get back on its feet after plunging into difficulties because of severe production delays, cost overruns and sluggish sales of its two new air-planes - the F-50 and F-100. Last month the company said it would make a loss of F1 14m for

state aid was justified.

In December the commission requested more information ment came to the rescue with plans to take a large minority in the company worth F stake in the company worth FI 103m and provide FI 542m in convertible subordinated loans. The FI 646m package would labour unions have reached be financed by converting debt

agreement on scrapping 1,730 into equity, including Fl 212n jobs over the next two years in in fresh credit. If the Hague's an effort to reduce production costs by 10 per cent.

Nearly 25 per cent of the jobs will be forced lay-offa and the rest will disappear through the icon would also be jeorpardised.

Cerus buys into French financial institution

CERUS, the French holding CERUS, the French holding company of Mr Carlo De Benedetti, is expected to announce next week the acquisition of a large minority shareholding in Dumen-II-Lebié, the high-flying French financial institution

Cerus refused yesterday to comment on reports that it was planning to acquire a 25 per cent stake in Dumen-il-Lebié, but confirmed it was holding a board meet-ing in Paris oo Monday.

The French holding com-pany of Mr De Benedetti sold last week for about FFr850m (3154.5m) Its 4.9 per cent atake in Pearson, the diversified group whose interests include the Finan-cial Times, to Mr Eupert Murdoch, the Australian-born newspaper magnate. born newspaper magnate. Cerns also indicated at the time that it was planning a new strategic acquisition.

Cerus was reported yesterday to have agreed to acquire a 17 per cent stake in Dumenil-Lebie for about FFr750m through a capital increase and was planning to raise its stake to 25 per cent by acquiring additional shares on the stock market.

The acquisition would give Mr De Benedetti a aig-nificant foothold in the French financial services

Dumenil Leblé has grown rapidly from a bond broker into an aggressive financial services group with activi-ties ranging from treasury management to equity mar-ket arbitrage and merchant banking.

Icahn boosts Texaco holding By Our New York Staff

MR CARL ICAHN, the New York takeover apecialist who is the largest shareholder in Texaco, said yes-terday that he had boosted his stake in the bankrupt oll company from 12.3 to 13.3 per cent.

Mr Icahn disclosed in a filing with the Securities and Exchange Commission that he had bought 2.279m Texaco shares on January 12 and 13 at prices ranging from \$36% to \$40%. Mr Icahn now holds 32.26m shares in Texaco.

Mr Icahn announced last the reorganisation plan put forward by the Texaco managemant to take the oil glant out of the bankruptcy occasioned by its litigation

Fletcher and Elders in NZFP deal

A FOUR-YEAR legal and stock market battle for control of New Zealand Forest Products (NZFP) - once the country's largest company - appeared
yesterday to have been
resolved with a deal between
Fietcher Challenge, the new
market leader, and Elders IXL,
Mr John Elliott's Australian

agri-industrial group.

This comes only two days after Fletcher began a high court action to force disclosure of details of recent share and financial transactions involving NZFP, Elders and Rada, the

NZFF, Elders and Rada, the investment company.

Under the agreement, Fletcher will sell its 19.9 per cent holding in NZFP to a joint company it will set up with Elders IXL. This company, as yet unnamed, is in effect a vehicle for Elders IXL to acquira Fletcher's stake in NZFP.

Fletcher will receive NZ\$373m (US\$246.4m) for its 89.9m sharea in NZFP at NZ\$4.25 a share, a substantial premium to the market price yesterday of NZ\$2.76.

CSR WINS BATTLE FOR TIMBER COMPANIES

AN INCREASED offer has finally given control of two related Australian timber companies to CSE after a

companies to CSE after a protracted and sometimes bitter battle, writes Chris Sherwell in Sydney.

The building products, sugar and resources group raised the combined value of its offer for Softwood Holdings and Timber Holdings from A\$317m (US\$226.1m) to A\$349m, or A\$2.65 and A\$3 per share respectively. Adjusted for

Mr Hugh Fletcher, chairman, said his company would, how-ever, still make an overall loss of NZ\$59m on its pursuit of

Fletcher will also take over 20,000 hectares of NZFP planted forest. NZFP will receive NZ\$155m in financial assets - which are still to be decided - for the forest, which cross-holdings, CSR will lay out A\$300m instead of A\$275m. Their principal shareholders - three different family groups - have oow

Acquisition of the two companies will enhance CSR's range of products by adding eawn timber, ply-wood and treated wood. The group will also gain access to Softwood Holdings' sub-stantial timber resources in South Australia.

is about 15 per cent of NZFP's total forestry resource.

This move is described by both companies as rationalising

forest resources near each com-pany's mills.

Fletcher will also acquire, at a cost of NZSS5m, NZFP's Panelcorp subsidiary, which makes hardboard and plywood. This will complement Fletcher's

existing medium density fibre-board manufacturing division. Mr Bob Gunn, NZFP chair-man, said Fletcher would also drop its high court suit. The drop its nigh court suit. The legal action was initiated after Elders IXL announced it bad acquired 53 per cent of tha financially troubled Rada, which owas 44 per cent of NTEP

At the same time, NZFP was to merge with Elders Resources. Elders acquired its 53 per cent holding in Rada for a nominal

Meanwhile, the New Zesland Meanwhile, the New Zesland Stock Exchange yesterday suspended dealings in Rada and Prorada Properties, its subsidiary, while it sought details of share transactiona. It was revesled yesterday that Prorada has NZ367.5m on loan to Rada, accured to a market value of NZ350.5m.
Rada, which was set up by NZFP as a defence against

NEGO, which was set up by NZFP as a defence against unwelcome takeover bids, rapidly acquired key stakes in several prominent companies. However, it has been badly hit by the stock market collapse.

Manny Hanny

\$117m charge

By Anatole Kaletsky in New York

MANUFACTURERS HANOVER,

manuraciumens manuven, the large New York bank which has been suffering from its high exposure to the Latin American debt crisis, is to make drastic cutbacks in many of its businesses, which will result in a \$117m restructuring charge

against its fourth-quarter profits and 2,500 redundancies -

about 8 per cent of the bank's

The announcement was made

late on Thursday night after

the company's shares were badly bit on Wall Street by

workforce.

announces

Brierley raises stake in Peko

SIR RON BRIERLEY'S Industrial Equity (IEL) has complicated North Broken Hill'a A\$970m (US\$692.8m) mining takeover of Peko-Wallsend by lifting its stake in Peko from 10.9 per cent to 16.8 per cent.

An announcement yesterday by IEL, the Australian arm of Sir Ron's international business empire, said it had purchased 5.16m Peko shares for A\$7.50 a share, to take its stake to

share, to take its stake to 14.69m shares.

The price paid by IEL is equivalent to last month's offer for Peko made by North Broken Hill of two shares plus A\$2.50 cash for each Peko share. North Broken Hill's shares were trading at A\$2.50 each on Thursday, the day IEL made its purchases.

chases. IEL also has an undisclosed

number of Peko options, for which North Broken Hill is offering A\$3.75 each. There are 84m Peko options outstanding, of which IEL is reported to have about 30 to 35 per cent.

Analysts said IEL had probably lifted its stake in Peko in the hope of being bought out by North Broken Hill through a higher offer.

believed to hold a large number of Peko options.

As for the two main parties, North Broken Hill owns a few Peko shares and 23 per cent of North Broken Hill.

On Thursday, Peko's board formally recommended acceptance of the North Broken Hill

North Broken Hill is the involvement of Elders Resources, the 48 per cent owned affiliate of Elders IXL which is currently involved in a reverse takeover of NZ Forest Products (NZFP) in New Zeal-

A second complication for

Push for Chloride Eastern placing

North Broken Hill owns a few Peko shares and 23 per cent of Peko options, while Peko is thought to own about 13 per cent of North Broken Hill. On Thursday, Peko's board formally recommended accep-tance of the North Broken Hill

offer, saying it offered a 41 per cent premium over the price of Peko shares prevailing prior to the offer.

If the takeover goes through

the resulting company, North Broken Hill Peko, will be one of Australia's largest resource Products (NZFP) in New Zeal-and.

NZFP has 15 per cent of North Broken Hill's abares, while Elders Resources is groups, with vast mineral inter-ests, large forestry operations and industrial activities ranging from paper making and smelt-ing to materials handling.

rumours of an impending cut in the dividend and a big fourth-quarter loss. Tha fourth-quarter results, which were to have been revealed next Tuesday, were rushed out in abbreviated form to accompany the restructuring

After the \$117m charge, Man-nfacturers Hanover made a set profit of \$22.7m or 18 cents a sbare in the fourth quarter. This compared with earnings of \$75.4m or \$1.57 a share in the same 1986 quarter.

While several other US banks. including Bank of Boston and Security Pacific, have given notice to shareholders that their profits were sharply reduced in the fourth quarter, these declines have been due to

Pacific have both boosted their can loans to about 50 per cent. By cootrast, Manufacturers Hanover, along with Chemical Bank, have made no new provi-

of the US are urgently trying to raise up to \$10m (\$18.2m) in private placements for a Singepore-based company set up three months ago to facilitate a partial takeover by the Indian Birla family of the Indian and other Asian interests of Chlo-

ride of the UK.

Merrill had intended in November to launch and underwrite a \$18.2m equity issue In Singapore for a 49.8 per cent stake in the company, Chloride Eastern, but this had to be abundand. abandoned because of the

The funds would have gone to Chloride in the UK for use in high-technology investments. Now Chloride hopes to receive some of the funds through the private placement and will then

MERRILL LYNCH and Citibank wait until world markets improve for the remainder. This is a blow for Merrill

which was emerging before the crash as a principal organiser. of guaranteed international inatitutional invastment for

Fund for the Indian Govern-ment in 1986 with finance from institutions such as Fidelity International of Hong Kong, Templeton Investment of the US and Rowe Price-Fleming of the UK.

These bodies were expected to be among those investing in Chloride Eastern, but since the crash they have made it clear they are not in the market for such projects in countries like India.

ground, Chloride of the UK has brought in Citibank, its own

Against this market back-

brought in Citibank, its own adviser on the Singapore deal, to help Merrill raise between 25 and 50 per cent of the £18.2m in private placements.

Private individuals taking up part of the placement incinde Mr S.K. Birla, who has already become both deputy chairman of Chioride Eastern and chairman of Chioride Eastern and chairman of Chioride India, plus associates including Mr P.K. Jani, a non-resident Indian of Kenyan nationality who lives in London.

The plan drawn up last sum-mer was designed to enable Chloride of the UK to sell part of its 51 per cent holding in Chloride India, which has a tnrnover of about Eslbn sions against Third World expo-

additional provisions against.
Third World debt. Bank of Boston and Security

Chicago LONDON MARKETS LONDON METAL EXCHANGE COCOA E/torsie (Prices supplied by Amelgameted Metal Tracking) . US MARKETS ORUDE OIL (Light) 42,000 US galls \$/barrel AM Official Kerb close Open Interest Close Previous High/Low Provious Close Previous High/Low COCOA PRICES rallied yesterday on the London futures market in response to SOYABEANS 5,000 bu min; cents/60th bushel US TRADE FIGURES prompted a sharp 17.21 17.04 16.94 16.83 16.79 16.86 18.81 16.54 16.47 1118 1140 1160 1179 1202 1223 1243 Aleseinium, 99.7% purity (3 per torme) us invite resumes prompted a small self-off in precious metals in early tracing, reports Draxel Burnham Lambert. Trade and commission house selfing touched off stops before a mid-session short-covering raily. 17.25 17.00 16.90 16.60 16.70 16.63 16.44 16.76 16.46 16.46 16.38 16.40 16.26 Filing turnover 0 tonine 16.65 16.70 16.57 76.46 16.40 16.35 16.27 16.50 16.45 16.35 1168 1107 1163 1132 weaker starting against the dollar and rising hopes of a successful outcome to High/Low 2140-60 1990-2010 2065-85 1935-55 1180 1157 1200 1171 1223 1202 1247 1214 622/6 631/0 639/4 646/2 646/0 645/4 662/4 669/4 1925-45 2,774 lots 832/0 641/4 851/0 657/0 656/0 653/0 665/0 622/4 630/0 639/0 645/4 646/0 643/0 651/0 657/0 Mer Mey Jul Aug Sep Nov Jen Mer International Cocoa Organisation talks Akeninium,99.5% purity (2 per torne) Ring turnover 24,050 tonne on the resumption of buffer stock price support. The talks were continuing last 1243 1252 1135-8 1153-4 1064-5 1265 1240 9 months However, late, renewed selling by the trade and funds caused locals to 49,254 lots night. The May position reached a peak of £1,163 a tonne before closing at Turnover: 6189 (4174) lots of 10 tonnes ICCO Indicator prices (SORs per tonne price for January 15: 1427.08 (1429.34) average for January 18: 1430.07 (1423.06). Copper, Grade A (2 per torme) Fling turnover 65,100 tonne liquidate longs and the markets closed near the lows. Copper closed higher on short-covering on news of the effects of a recent explosion at the El Teniente mine in Chile. Following Thursday's Cash 1490-5 S months 1354-5 1355-60 1250-1 £1,151 a tonne, up £21 on the day and £7 on the week. Dollar firmness also 1480/1430 1365/1290 1440-2 1817-8 HEATING OIL 42,000 US galls, cents/US galls 1340-1 76,539 lots encouraged gains in the London Metal Exchange. Copper recovered much of the week's earlier losses with a £135 rise which left the cash Grade A position £70 COFFEE 2/toring Close Ring turnover 0 tonne Previous · High/Low Copper, Standard (E per tonne) 50.56 48.25 46.00 44.70 43.80 43.55 51.48 48.95 46.90 46.15 44.28 44.06 SOYABEAN OIL 60,000 lbe; conts/b 51.25 48.70 46.45 45.16 44.20 43.80 Previous High/Low 47.70 46.80 44.30 43.56 43.50 technical correction, energy futures resumed the downward trend in response to continued reports of Saudi Arabia seiling discounted oil. Sugar 1100 1218 1236 1257 1279 1302 1320 43 lots 1213 1180 Previous High/Low 1213 1160 1246 1209 1268 1229 1285 1250 1302 1275 1320 1280 1313 1318 Silver (US cents/fine ounce) 22.55 22.76 22.86 22.92 22.97 22.77 22.80 22.77 down on the week at £1,492.50 a tonne. Cash zinc gained £18.75 to £509 a tonne, up £29 on tha week, helped by talk of a sharp fall in LME stocks and news of rises in producers' European Ring turnover 0 ozs 23.55 23.55 23.70 23.90 23.77 23.66 23.85 23.10 23.96 23.29 23.30 23.50 23.15 23.20 23.25 Gash 677-80 S months 685-92 690-2 690-2 Arabia seiling discounted oil. Sugar firmed on aggressive trada buying which touched off commission house stops, but falled to hold higher levels and fell back on profit-taking. Coccar ratifed in response to an apparently successful conclusion to the ICCO meeting. The meats were sharply higher. Cattle penetrated resistance areas as traders covered short positions and touched off stops despite negative fundamentals. Pork belies and hogs rose in response to constructive outside markets and the trade deficit figure. Grains, too, were 608 John CDCOA 10 tonnes;\$/tonnes Leed (£ per torme) fling turnover 15,975 tonne Close Turnover: 4088 [1650] lots of 5 tonnes ICO indicator prices (US cents per pound) for January 14: Comp. delty 1879 114.91 (115.00); 15 day average 114.77 [114.77]. Cash 386-8 S months 352-3 365-6 351-2 1866 1895 1921 1950 1966 2011 2038 1969 1969 1934 1961 1997 selling prices. Cash standard aluminium rose £41 to £1,177.50 a tonne, extending 13.115 lots 1896 1896 1927 1954 1990 2020 2040 351-2 Nickel (2 per torme) Ring turnover 2,394 torate the weak's rise to £70, while cash nickel Cesh 4450-60 S months 4120-30 put on £125 to £4,455 a tonne. 4950-80 4000-10 SOYABEAN MEAL 100 tons; \$/ton 4130/4000 4130-5 Zinc (£ per tonne) Cash 509-10 3 months 508.5-8 SPOT MARKETS Ring turnover 8,900 tonne Previous High/Low SUGAR \$ per tonne 187.0 183.2 181.7 182.1 182.5 183.5 183.5 184.0 185.5 Crude oil (per barrel FOB) 490.5-1 492-2.5 501-2 500.5-1 185.6 181.7 178.5 176.1 178.0 177.8 177.0 176.7 179.0 Mar May July Sep Oct Dec Jan 191.0 186.5 164.0 184.0 184.5 184.5 184.5 185.5 187.0 183.0 181.2 181.3 161.5 182.0 182.0 182.0 Close Previous High/Low 506-7 12.598 lots COFFEE "C" 37,500ths; cor \$15.30-5.42y -0.04 \$16.50-6.80y \$18.83-6.88y +0.06 Dubei Brent Siend W.T.L(1 pm est) 218.80 210 40 215.80 212.80 127.34 130.07 132.40 184.75 167.75 140.00 140.00 127.66 130.56 132.83 135.00 187.75 141.13 141.00 127.70 127.06 130.66 130.00 132.90 132.25 136.00 134.45 137.75 137.50 LONDON BUILLION MARKET POTATOES E/IDRIG trade deficit figure. Grains, too, were Oil products (NWE prompt delivery per torme CiF) Close Previous High/Low Gold (fine oz) \$ pnce strong. 67.50 98.30 88.50 87.50 152.80 150.40 166.00 164.00 88.50 88.60 98.00 96.50 Feb Mar Apr May Nov Feb 271%-272% 265%-266% 265,498 270,287 Premium Gasoline Gas Oli Henry Fuel Oli Naphtha Petroleum Argus Estin 212.20 **New York** \$157-180 \$144-145 \$71-73 \$145-148 +0.5 Opening Morning fix Alternoon 8 Day's high Day's low GOLD 100 troy oz.; \$/troy oz. MAIZE 5,000 bu min; cents/! Previous Ciose High/Low 251.00 250.00 253.00 252.00 256.00 256.50 256.00 255.50 263.00 255.60 263.00 260.00 254.00 263.00 SUZAR WORLD "11" 112,000 the; cents/lbs 48514-48 Previous 251.80 247.00 254.80 248.80 254.00 258.00 253.80 Mar May Aug Oct Dec Mar May Mar 213/0 215/8 220/2 224/0 WHEAT 5,000 bu min; cents/60ts-bush 467.0 468.2 490.8 494.2 500.1 506.3 512.8 519.3 525.1 0 474.0 481.0 478.0 484.5 494.0 506.5 503.0 818.0 Close Previous Other + 01 -Turnover: 878 (241) lots of 100 tonnes \$ price 2 octivators 197/0 202/0 206/2 206/2 211/6 215/4 222/6 Mar May Jul Oct Jan May 9.45 9.39 9.36 9.31 9.55 9.55 -0.25 -2 -4.50 -0.76 495-501 496-501 496-501 496-501 496-46314 252-251 125-133 496-503 60-63 11314-11414 11314-11414 518-524 280-288 280-283 280-283 271-278 141%-147 70%-74% 280%-283 280%-283 280%-283 280%-283 280%-283 280%-283 280%-283 284-287 9.60 9.60 9.58 9.50 0 9.70 9.65 9.48 9.27 9.29 9.27 0 6.45 9.65 SOYABEAN NEAL E/Nome 679c \$496.25 \$127.25 263.00 251.50 Glose Previous High/Lox 133.40 130.00 127.00 122.00 127.00 121.00 128.00 122.00 129.00 122.00 128.00 124.00 133.00 129.50 Krugerrand 1/2 Krug 1/4 Krug Auminium (free market) Copper (US Producer) Laad (US Producer) Nickel (free market) Tin (European free market) Tin (Kuels Lumpur market) Tin (Kuels Vork) Zinc (Euro, Prod, Price) Zinc (US Prime Wessern) Turnover: Flaw 6845 (7528) lots of 50 tonnes; White 2888 (1390). – Paris- White (FFr per tonne): Mar 1410, May 1420, Aug 1440, Oct 1440, Dec 1460, Mar 1506. Jun Aug Oct Dec Feb \$2110 134%-1 40c 360c +45 -2.5 Angel 1/10 Angel New Sov. Old Sov. Noble Plat -10 +55 +0.04 PLATINUM 50 troy oz. 8/troy cz. Previ May 330/2 332/2 335/4 May 329/6 331/6 334/6 Jul 319/0 322/0 323/0 Sep 322/4 326/0 326/0 Dec 331/6 334/4 336/0 Masr 336/0 336/0 0 LIVE CATTLE 40,000 88; CMMs/Re Close 327/0 326/0 318/5 322/4 331/0 Turnover: 394 (320) lots of 100 tormes. 505.9 513.2 520.7 528.7 536.7 488.5 488.2 496.7 515.0 520.0 84.66 65.28 65.50 63.45 62.20 63.45 63.67 66.29 66.86 66.13 63.70 62.56 63.75 63.96 482.7 480.0 487.5 505.5 513.5 95.60 87.25 87.45 84.40 63.40 0 468.0 64.50 65.00 65.50 63.50 82.10 GAS OIL Shonne FREIGHT FUTURES 2/Index point Close Previous High/Low Glose Previous High/Low 147.25 144.75 144.00 142.00 141.00 139.25 138.00 136.50 104.97p 152.34p 81.92p 1425.0 1503.0 1355.5 1399.0 1384.0 1422.0 1482.0 1348.0 1399.0 1374.5 1430.0 1425.0 1520.1 1498.0 1365.0 1352.0 -17,63° -0.90° US cts equit Silver fix 139.25 136.50 137.00 137.00 134,75 134,00 p/fine oz SILVER 5,000 troy oz; cents/troy cz. Close Previous High/Lov 694.15 707.10 785.15 \$243.80v \$248.20v \$241.00 London daily sugar (raw) London daily sugar (white) Tate and Lyle export price 1410.0 1399.0 Previous High/Low ME JUICE 15,000 lbs; cents/lbs 129.00 136.75 67.20 69.17 68.75 68.87 64.72 65.25 660.0 662.4 668.0 675.4 684.4 688.0 707.5 711.9 722.1 732.0 +0.70 +1.00 137.00 134.50 139.00 138.50 677.0 693.0 693.0 708.5 711.0 781.0 66.22 67.97 68.06 65.20 64.27 65.00 67.36 69.25 66.80 66.10 65.05 65.55 677.0 687.2 689.5 698.5 709.3 712.9 722.1 737.5 742.2 753.0 761.5 Close Previous High/Low 68.47 68.27 68.06 65.35 64.35 65.10 645.0 675.0 684.0 707.0 710.0 Turnover: 372 (327) er: 5606 (6165) lots of 100 tonnes 173.65 174.85 175.60 175.40 173.00 171.20 166.90 168.90 168.90 171.50 174.30 175.25 175.30 172.86 171.25 186.25 186.25 173.50. 171.50 174.95 173.60 176.50 174.80 178.60 174.90 178.00 172.40 171.50 170.50 Barley (English feed) Malze (US No. 3 yellow) Wheat (US Dark Northern) £111.60 GRAINS E/tonne £154.50 £95.00u +0.25 Close Previous High/Low SPICES Nutmage, mace and pinger prices were unchanged, reports Men Production. Spot supplies of cloves were tight, with shipments from Medicapascer fetching \$3,350 a tome; and from Brazis, \$2,975 a tome — all cif. Spot supplies of Medican pinents storme — all cif. Spot supplies of Medican pinents were tight and Rubber (spot)♥ 64.50p Rubber (Feb) ♥ 67.75p Rubber (Mar) ♥ 67.50p Rubber (KL RSS No 1 Feb) 262.00m LIVE HORS 30,000 B; cents/fbs +0.50 +0.75 +0.75 -1.00 111.80 110.50 112.80 111.40 LONDON METAL EXCHANGE TRADED OPTIONS 111.25 110.30 112.25 111.50 Alumbium (99.7%) Calls Puts Closs Previous High/Low 114.40 118.40 102.80 104.79 107.45 114.90 113.90 116.50 116.40 Mar May Mar May Strike price \$ torms 47.17 44.70 47.80 48.42 47.47 42.50 42.50 45.77 43.77 45.72 47.55 48.82 41.75 42.05 47.27 44.96 48.05 49.00 47.85 42.50 42.80 102.90 104.85 107.60 102,90 102,80 104,85 104,75 107,50 107,45 40.15 44.20 47.00 47.95 47.15 41.90 42.10 Coconut oil (Philippinas)§ Paim Oil (Malaysian)§ Copra (Philippinas)§ \$550.00 and from Brazil, \$2,975 a torrie — all cirl. Spot supplies of Meetican pimentos were sight and prioad at about \$1,500 a torrie, ox wershouse. With material in short supply producer prices for pimentos were generally firmer at around \$1,725 a torrie, cost and freight. Jamaican offerings were unchanged at \$2,400, cost and freight casela prices were on the increase with indonesis raluctant to sell later shipments because of higher local prices. Indonesian A types were fetting \$2,050 a torrie and \$1,996 and \$1,440 a torrie, cit. February delivery papper was unchanged in quiet trading. 196 221 19 128 124 172 47 172 71 182 98 229 -10 COPPER 25,000 lbs; cents/fbs \$500.00 \$390.00 £155.80 +3.00 Soyabeans (US) Cotton "A" Index High/Low 121.00 121.00 Ciose Previous 121.00 116.50 121.00 Jan Mary Jul Sep Dec Jan Mar Aluminium (99.5%) Calif Puts REUTERS (Base: September 13 1931 = 100) -0.40105.45 107.25 108.15 97.90 100.35 108.00 107.50 108.65 106.00 105.55 107.50 107.35 109.00 96.00 85.00 82.00 81.00 80.80 80.50 80.10 115.30 107.80 96.30 85.50 82.50 81.50 81.10 80.80 107.80 95.00 84.00 82.00 81.00 111.50 99.25 88.00 84.00 88.50 Jan 14 Jan 13 mnth ago yr ago 208 153 38 86 142 105 70 135 92 69 119 197 PORK BEILLIES 38,000 Etm; cents/to a tonne unless otherwise stated, o-pence/kg, c-cents/lb, r-ringgit/kg, w-Feb/Mar, v-lan/Feb, z-lan/Mar, y-Feb, u-Apr/May† Meat Commissio average fatstock prices, " change from a week age, V London physical market, § CIF Roterdar & Buillon market close, m-Malaysian/Singapore 1724.0 1731.1 1687.6 1564.3 97.90 100.30 OW JONES (Rese: December 31:1974 = 100) Close Previous High/Low - Pute Copper (Grade A) 100.30 102.65 102.75 58.35 68.75 58.17 58.05 299 250 134 299 196 168 252 413 125 134 356 554 102.75 102.85 183.91 132.23 135.75 133.79

WORLD COMMODITIES PRICES

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WORLD STOCK MARKETS

NEW YORK (3 pm) climbed C\$1% to C\$30%, Imperial Oil Class A advanced C\$1% to C\$57% and Gulf Canada Resources moved ahead C\$% to C\$17%. In industrials, Stelco Class A firmed C\$% to C\$22% and Dofasco gained C\$% to C\$27. In forest products, MacMillan Bloedel gained C\$% to C\$21%. Abitible Price was unchanged as MacMillan Robots of the C\$100 and C\$100 A calms Cown after rapid rise The urgency of buying which had propelled the morbet sharphy the afternoon, share the surprising good November trade deficitly the afternoon, share the surprising good November trade deficitly the afternoon, share the surprising good November trade deficitly the afternoon, share the surprising good November trade deficitly the afternoon, share the surprising good November trade deficitly the afternoon, share the surprising good November trade deficitly the afternoon, after the surprising good November trade deficitly the afternoon, after the surprising good November trade deficitly the afternoon, after the surprising good November trade deficitly the afternoon and the surprising good november trade deficitly the afternoon and the surprising good at 1986, so 1987, so 1987 **Wall Street** ***** USX COTY Lindow FLV. Lindow FLV. Lindow Camp Colon Carthole Delon Electric Union Electric Union Electric Union Electric Union CT Statistic Union Electric US Statistic US Statistic US Treat Litel Technology Electric US Treat Litel Technology Elect なるのであるからなるないあるない をないなる Astes Life Asson Life Alternation (SLF.) Air Proof & Cheen Alterto-Cafter Alterton's Alco Statistics Alco Statistics Alconomics Alconomics Alconomics -大大変ななないないないでは大きななないないないないないない 1 History Lecrer Hi-Brd They Bowes +12 12. 22.2. Averado Més - Ave Braddi - Ave Braddi - Ave Braddi - Ave Beled Power - Average - Avera Stelent Stelen 14444 etco All Co Whiteres Wan Labi S Wang-Labi S Warner Couns Warner-Lamber Co Washington Post Washington Fost Washington Informat Washington Informat Washington Informat ne Company of the Company of the Company of Company of the Company 4.TV Carp 1.His (ESD) 1.in Breadcatting Lincoln Mat Corp 1.incoln Mat 1.incolned さればなるながなななななななな C à à à SP. E-dysteris 274 Endors Gre à 724 Endors Gre à 724 Endors Roit SIMEndors Hold Ameritech Americk Inc America THE PERSON されなななってなってなってなるなななななななななななななななななない。 RJR Rabiete Raisto Puries Rasanta Jeus Rasant Ory ADR Raychem Raychem Raychem 100 BY BY がたなばて | すうななななしむななな Newscharster Wheeling Pitts Whiseling Old Whitsher Williamet Ca Willia MCA Counts. Mark Tracks Algorithm Mark Hanser Manufic Corp Australia The Australian share market rose at the close as solid interest in special situation stocks underplaned demand. The all ordinaries index was 13.4 points up at 1.277.5. A rise of almost A\$7 in bullion prices overnight also brought steady dsmand for gold-related and resource issues, Trade in blua Australia Metals processor Degussa declined DM14.50 or 4.6 per cent to DM299.50 and Metaligesells-chaft fell DMg to DM200. Insurers also dropped heavily, with Allianz down DM22 to DM1,175. Muenchner Rueck shed DM14.775. Cars and banks were narrowly mixed but high-technology companies Nixdorf and PKI both shed bM14.50 to DM522.50 and DM597 respectively. Retsiler Karstadt dropped Be Marco Martee Lake Roman Beyel Dutch Rebberstedd 141 Magen olan Matel Corp Matel Manus Entrity May Dept. Sers Zayre Zendih Elec Zero Co Bally Sal & Dil ____ Ball Gas & Dil ____ Bank America | SPE Technology | 32% | Sabite Corp | 15% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% Bits and a second secon Marter ter 以 Cars and banks were narrowly mixed but high-technology companies Nixdorf and PKI both shed DM14.50 to DM522.50 and DM597 Brussela was dominsted by record demand for Reserve, the holding of Societe Generale de Belgique, which closed seven per record demand for Reserve. Marian — McCarlott Dil — McCarlott — McDonaldy — McCarlott — McCarlot (McCarlot (McCar CANADA (3 pm) North American closing prices were unavailable for this edition Absilist Res Absilist Res Absilist Res Abrica Res Abrica Res Adorto Engle Allerta Energy Alzan Alsinishus Algono Steel Santh Masternal Basile Mena Scotia Bedie Mena Combior Can Cennett PI Can Stiff Energy Can Pactions Can Intel Can Tera Can Here Can Tera Conignation Conignation Conignation Consumber C Belgique, which closed seven per cent higher on record turnover. Belgian shares closed mixed. でするはなるなななななななななななななななな 1111 Morth Mercill Lynch Mercill Ly January 15 Creditorstale ... Sangua Yuch Sanguan Sa -50 -4 +2 +2 CAF CATY COPY OF THE CAP OF Carnol ICHS Klockser Werke Linde Lattance IAN Maconomic Bongrait Bongrait Bongrait Bongrait Bongrait Bongrait Bongrait Carrelous Club Maditervaner Cle Fin. de Seez Coffente CE Fin. de Seez ******** Belder Jee 27. Henherb HIT 27%, 17%, 160 tests HIT 27%, 180 tests HIT 20%, 180 tests HIT 20%, 180 tests HIT 20%, 180 tests HIT 20%, 180 tests Tibeled 40%, 180 BELEIUM/LUXEMBOURS sery 15 oury 15 BP Brit. Telecom Brit. Telecom Brit. Telecom Brown Group Brown Grown Brown Grown Brown Grown Brown Grown Grown Brown Bro ******** कि वि ।। विद्युद्ध । त्रिक्तिक्द् Elektrowist Fisther (Gao.) Haff-Racke (PrCts) Haff-Racke 1/20 Jacobs Suchard 51.00 +0.5 148.00 -1 142.00 -1 142.00 -1 116.00 +1 69.00 +2 487.50 +7.5 168.50 +1.5 215.00 +5 62.00 +2 149.50 +3 368.00 +2 +114 Southwestern Bell Spring last. Essilor Gen Occidentale Inocel LVMH Lafarge Copper L'Oreal Jacobs Sannard Jelvoll Landis and Gyr Restle Oer-Buhrle Partysis Hidg Pirrell Sandor (Br) Sandor (PrCts) Schindler (PrCts) 1.675 1.185 2.574 2.574 2.504 1.465 1.110 4.575 1.110 4.575 1.110 4.575 1.110 4.575 1.110 4.575 1.110 +2 ITALY Moutlook Nord Est Parihas Perned Ricard Pervice FF3 Pespect S.A. Printemps Akt Bassa Contile Bassoj-IRBS CIR Credito Italian Flat Gantrali Assign Lar Rinasceste Montedison -15 +50 -800 -10 Cator Canacros Iron Canacros Iron Canacros Iron Canacros Canacros Canacros Cap Gries Com Cartisic Com Cartisic Com Cartisic Com Cartisia Power Cartisian Tech Carter Handey in Piee 45% Literati 240% Lac Millerati 117% Lac Millerati 117% Laurentian Sp 45% Laurentian Sp 55% Laurentian Sp 117% +5 DENMARK -Kr % + # ~ Carterist of the control of the cont Half (FB) SOUTH AFRICA Jameny 15 Abercom AE 6 Cl Allact Tech Auglo Arn Conl Baccope Bark Baccope Baccope De Beers Hardischen 22/2, Nerfelt Soud're 27/2, If Americkie Geni 27/3, Northean I Jel 22/3, Northean 22/4, Northean 22/ 11 אינים ואינים 我也是不是我也就是我也是我也是我也是我也是我也是我也是 一次也是是不是我也是不是我也 Ricentific Blocke Hispath Int | Honer Corp | Hispath Int | Honer Corp | Hispath Int | Honer Corp | Hispath Int | H + 87 - + 13 + 328 + 513 + 513 + 126 + 127 SWEDER Journey 15 AGA (Free) AGA (Free) AGA-Look ASEA B (Free) Astra B (Free) Astra B (Free) Astra B (Free) Astra B (Free) Belier A Fria Carbo (Free) Electrobas B Ericsson Etectrib Mr Och Donsjo Pharmacia Sand-Scanta (free) Sand-Scanta (free) Sand-Scanta (free) Sand-Scanta (free) Standia (ne) + 97 -+25 -1 -15 -0.75 +5 +0.45 -2 -25 -3.4 देवत् । । दर्वत् । दश्य Process ST इन्दर है दिस्य | January 1.4 | Ven | | January 1.4 | Ven | January 1.4 | Ven | January 1.4 | Ven | January 1.6 | January 1.7 | Ja 4760 +60 742 +2 716 +6 1,620 +10 1,450 +10 1,450 +10 21,300 -11 1,700 +10 2,020 +10 2,020 +10 2,020 +10 2,020 +10 2,020 +10 2,020 +10 2,020 +10 2,020 +10 2,020 +10 1,700 +10 1, INDICES **NEW YORK** DOW JONES | Ian | Jan BELGIJM Britishi SE (1/1/94) 3503.8 (18/12/67) 530.6 42\$.2 (5/LRT) 592,84 (21/9/87) 307.48 QJV11.1872 700.4 (7/12/07) CANADA Jan. Jan. Jan. Jan. Jan. Jan. 1967-68 TORGISTO 14 23 12 31 1696 Lee STA3 255.64 25422 2575.0 3575.5 (510607) 1961.2 (201607) Compacific 3151.6 3152.69 1567.85 1160.3 3171.0 412.9 (137807) 2690.9 (201007) MONTREAL Particles 1562.69 1567.85 1160.30 1590.82 2220.77 (147767) 1425.94 (2610087) CANADA 233.75 **NEW YORK ACTIVE STOCKS** 469.2 468.5 466.5 (a) 404.5 402.4 ** Securdary Justices 7: Jupin | Stocks | Cluster | Clust WORLD M.S. Capital Intl. CL/L/RD..... 405.T Base states of all indices are 100 energy HYSE All Common = 50; Standard and Path's - 10; and Toronto Composition and Marin - 1000. Toronto Indices based 1975 and Middle Angles of Editation Brokes of all indices are 100 energit Branch SE - 1,000 JSE Gold - 255.7 JSE Industrials Composition and Marin - 1000. Toronto Indices have 1975 and Middle Angles - 500; (c) Consellate Universitable.

Trade figures boost dollar

casts, which had centred around the \$150m mark.
The US unit moved up by The US unit moved up by over four plennirs against the D-Mark. Soon after the announcement, to touch a high of DMI.6350, having finished trading in London on Thursday at DMI.6370. Trading in the DMI.6370. Trading in the DMI.6370. Trading in the Application of DMI.6370 and DMI.6

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Forward prero dollar	ums and assections	350ty 13 are				

STERLING INDEX									
		.:an.15	2.671074						
10.60	77		7977777777 485564647466						

CURRENCY RATES

Jan 15	Bank (ata fa	Special Drawing Rights	Europe at Currency Unit
Sterling U.S Delizi Canacian S. Ausgrain Sch. Selgian Fribot Danish Krisi e. Deutsine Maria Neus Guider Friedon Rome Friedon Rome Friedon Rome Spannen Potent Spannen Potent Spannen Potent Spannen Potent Spannen Potent Green Orach Irian Patal	of Hind Circle Lines	56777 56777	3 64363 1 1523 1 1523 1 1543 1 1648 1 1648 1 1648 1 1643 1
All SQR ra:≃: '≎	والتنتيب	74	

CURRENCY MOVEMENTS

J:-15	England Inges	Changes **
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OTHER CURRENCIES

Jan.15	£	Ś
Argestina	9.7-40-4 9915	5.5257-5.5750
Australia	5:00-1.5250	1,4145-1,4265
و سين احدو	135 10-135 95	T8.30- 6 10
Finland	T.370-T.2-95	4 6850-4.0950
Greece	235,00,274,00 : 3,7950-27,8360	129 00-131.70
Hong Keng	121.45	85.70
Kereat Sth	1425 45.1440 45	754.30 : 90 70
Kirnari	0.484-5-0.42530	0.27315-0.27325
Lusembours .	32-30-5-40	35.05-35.15
Malaysia	4.5015-5.5490	2,5300-2,5400
Mexico	3920 55-7952.70	2215 00-2236 00
N. Zealand	2,7005-3,7305	1.5366-1.5455
Szudi A:	6.5560-0-0620	3.7500-3 7510
Singapere	3.595C-3-5435	1.9500-2.0400
S. A! ICM! _	3.5360-3.5820 5.3000-5.4630	2.9650-3.0770
S. AI IFAI	52.10-52.35	78.55-38.65
U.A.E.	6.5155-6.5240	3 6725-3.6735

A SHARP contraction in the US trade deficit drove the dollar firmer in currency markets yesterday. A \$13.22bn shortfall in November was a significant improvement over Corober's record \$17.63bn and was considerably better than most forecasts, which had centred around the \$15bn mark.

The US unit moved up by \$1.3 not fall in December pro-

at DM1.6310. Trading in the morning had been dull but the first few hours after the announcement at 1.30pm in two key factors. Firstly, Decemberd, as dealers maked to have influenced by a 9.4 p.c. increase in exports and 9.4 p.c. decine in imports, analysis were quick to point out two key factors. Firstly, Decemberd, as dealers maked to have announcement at 1.30pm in two key factors. Firstly, became London proved to entremely over's figures were likely to be over's figures were likely to be influenced by a sharp fall in the value of the dollar during that value of the dollar during that Against the D-Mark, the dollar finished at its best level for nearly two months at DM1.0790. Its improvement against the year was equally dramatic but only took it to a cone month high, underlining the DIAMEW YORK

Limit From State on Thursday, However States of Thursday, However States on Thursday, Howev

punishing on other currencies and the pound even managed a and the pound even managed a small improvement against the D-Mark to DM2.9825 from IM2.9775. It was also higher against the yen at Y231.75 from Y230.50 and finished elsewhere at SFr2.4375 from SFr2.4300 and FFr10.0625 com-

for nearly two months in Frankfurt. The extent of the rise was probably reflective of the build up in tension ahead of the release and many dealers still maintained their ealier view of further dollar declines later this year. The dollar closed at DM1.6780 from DM1.6380.

POUND SPOT- FORWARD AGAINST THE POUND

Jan 15	Day's spread	Ciese	One worth	D.A.	Three months	pa.
ıs <u></u>	17410-18080	1.7765-1.7775 2.293-1.2945	0.25-0.22cpm 0.02p-0.02cm	1.59	0.77-0.72pm 0.22-0.05pm	1.68
anada etheriands	21610-137-95	3343,3254	14-14=m	4.25	37e-35eom	4.47
ekgrum	5; c41.75 11.76:-11.461;	62.20-62.30 443-17.453	15-7:pm	333	43-32pm 11-1 ₄ pm	2.41 0.48
re and	1 1163-1 (250	2 2 2 2 81	0 CB-C D2cpm	0.53 5.28	9.24-5.07pm 4-37pm	0.55 5.28 -5.65
المواد : no المواد	61.4.0.18 00.4.10	202 00 202 30	100-151ccrs 65-95cds	4.47	295-390dls 160-215d/s	355
3.4	22 64.4 - 21.35	68-1169	par-Thredis 4%-5%gredis	1.92 5.59	7-14dis 14%-locks	-1.92 -5.39
aresy farie	9 33 () 304	20.054-70.064	CIS-4COM	-0.15	Spois~Sports	-0.05
3330	12 6c - C.S.	110.72 - 17.734	l leorecis	-0.35 4.85	1 dis 23-25 nm	-0.08 4.64
arsima militariand	20 77 21 47 24 24 43 4	20 90 21.93	11—13-com	7.08	233 ₈ -211 ₈ pm 4-37 ₈ pm	4.26 6.46

Belgian rate is conversible francia. Financial franc 62.60-62.70 . Six-month forward dollar 1.59-1. 12-month 3,00-2-90-m DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

15.15ء	Days Sept.	Close	One month	p.a.	Three	9. p.a.
UK†	1 5300: 3 540 54.05 35 10 1.6435: 6855 1374:135 11374:135 6.354,6414 6.354,6414 5.704-356 5.94-6,061 124.00-121 60 11 46: 51.031;	1.765-1.775 1.565-1.785 1.565-1.7865 1.255-1.7865 1.255-1.7865 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386 1.256-1.386	0.25-0.22cpm 0.15-0.12cpm 0.16-0.21cfa 0.44-0,42cpm 0.50-0.160cpm 0.50-0.50cpm 90-150cpm 40-150cpm 50-110.cpm 2.50-5.50tpm 3.80-3.95cpm 0.80-0.80cbs 0.90-0.80cbs 0.90-0.80cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs 0.90-0.90cbs	159 0.99 -1.82 -0.53 -1.44 3.79 -9.84 -9.29 -7.19 -1.92 -1.93 3.67 5.55	0.77-0.72pm 0.42-0.34pm 0.47-0.50ds 1.34-1.31pm -4.6tk 2.00-2.50ds 1.59-1.54pm 230-3.03ds 9.70-12.70ds 1.10-11.50ds 2.15-2.45ds 2.15-2.45ds 1.05-1.00pm 5.40-4.80pm 1.67-1.82pm	1.68 0.99 1.51 2.99 0.76 -1.44 3.89 -7.90 -9.20 -4.00 -7.17 -1.64 3.25 1.78 4.99

www.and tretaing are quotien in US represely. Forward premiums and discounts apply to the U
the ingredual currency. Belgian rate is for convertable transs. Financial Irans 35:20-35:30.

EURO-CURRENCY INTEREST RATES

Jan.15	Shor: Lerm	7 Oays	One Memb	Three Months	Six Months	One Year
Sterling US Octar Dan Ponter D. Guilber De France	7-5-4 7-5-4 8-4-1-5-1-5-1 8-4-1-5-1 8-4-5-6 8-4-6 8-6-6 8-6-6	8-9-8-7-8-7-8-7-8-7-8-7-8-7-8-7-8-7-8-7-	87-8-1-7-1-8-1-7-1-8-1-7-1-8-1-7-1-8-1-7-1-8-1-7-1-8-1-7-1-8-1-8	9 93 7 7 8 8 8 8 8 8 11 10 6 6 6 6 6 6 6 6 7 7.	92.92 92.74 82.84 91.22 91.23 91.20 91.40	94-95 74-74 94-95 34-35 34-36 34-36 115-114 64-65 64-65 44-44 94-94-64 72-74

Long Lenn Europoillers, two years 61-84, per bent, three years 81-87s per bent; four years 91-87s per bent; four bent; four bent; four bent; four bent; for US Dollars and Japanese Yen; others, but days notice

Jan.25	3	5	DM	Yas	F Fr.	S Fr.	H FI.	Lira	C S	8 F
Š	1 0.563	1777	2.933 1.679	231.8 130.4	16.97 5.667	2.438 1.372	3.353 1.887	2189. 1232	2.284 1.285	62.5 35.0
OM	0.335	0.5%	1	77.71	3376	0 217	1.124	733.8	0.766	20.9
YEN	4.314	7.666	12.87	1000	43.44	10.52		9443	9.853	269
F Fı	0.993	1.765	2.962	230 2	10.	2.421	3.330	21,74	2.268	81.9
SFr.	0.410	0.759	1.224	95.08	4.130	1	1.375	697.9	0.937	25.5
H FL	0.298	0.530	0.890	69.13	3.003	0.727	1.532	652.8	0.681	18.6
Lera	0.457	0.812	1.563	105.9	4.600	1.114		1000	1.043	28.4
C S S Fr.	0.438 1.604	0.778	1.306	101.5 371.8	4.409 16.15	1.067	1.468 5.378	958.4 3511	3.663	27.3 100.

Yan per 1,000; Freech Fr. per 10; Lira per 1,000; Belgian Fr. per 100.

MONEY MARKETS

UK rates slightly higher

MONEY RATES

export growth, there seemed to be little reason why upward pressure on UK interest rates would not now increase still

further.
A fall in the rate of inflation A fall in the rate of inflation helped to offset a rise in average earnings, but dealers stressed that the latter was a much more difficult trend to reverse. One trader suggested that, 'While the US may be starting to come out of the woods, everything at the moment suggests that the I'w is moment suggests that the UK is about to enter, and risk meeting the big, bad wolf."

The Bank of England forecas:

a shortage of around £1,150m with factors affecting the mar-ket including Exchequer trans-actions which drained \$1,095m and a rise in the note circulation of £310m. On the other side bank balances were brought forward a nominal £5m above target. In addition, bills maturing in official hands and a take up of Treasury bills were outweighed by 63-day Treasury bills which matured outside officials hands to give a net addition to market fiquidity of

To help alleviate the short-age, the Bank offered an early round of assistance which comprised outright purchases of £859m of bills, £37m of eligible bank bills in band 3 and £822m

in band 4, all at 81, p.c.
A revision took the forecast
to a shortage of around

UK INTEREST rates started to move higher in London yesterday in reaction to a significant fall in the US trade deficit. Three-month interbank money was quoted at 9%-8% p.c. up from 9-8% p.c. although the one year rate remained at 9%-9% p.c.

However the recent uncertainty on interest rate treads and the consequent move by institutions into short dated instruments meant that inter-

institutions into short dated instruments meant that inter- bank rates were giving a less	prising outright FT LONDON INTE		all bills on offe	r were allotted.
than strong signal. With sterling below its best	111.00 a.m. Jan.15)	months US deliars	6 months	US Dollars
and the dollar at last benefiting	Ind 71	ofter 72	bid 73 ₈	affer 712
from a continued rise in US export growth, there seemed to be little reason why upward pressure on UK interest rates	The lixing races are the arithm \$10m quoted by the market t Westminster Bank, Bank of 7a	o five reservence tranks at 1	7.00 a.m. each working 6	iav. The banks are Mationa

NEW YORK (Lunchtime) Jan. 57 3.35-3.50 80₈-80₂ 2-24 42-44 3.90625 100-107₈ 61-60₉ 85-87₉ 315-325 77-8 13-3 41-41 3.53125 9-114 6-90 84-82 330-345 8-84 14-12 41-42 378125 104-104 61-64 63-85 3.40-3.55 73-78 3,30-3,45 84-84 4.50 7.50 9.91 83.85

LONDON MONEY RATES

Jan.15	Overnight.	7 days notice	One Month	Three Months	Six Monde	Çise Year
Interback Offer Intertails Bid Sterling CDs. Local Authority Deps. Local Authority Bonds. Discount Mits Deps. Company Deposts Finance House Deposts. Treasays Bills (Buy)	9 6 - 64 71 71 2	87e 77e 7 7 7	84.48.88 · 8.74.88		1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	5355 3 3 4 ·
Bank Bills (Buv) Fine Trade Sills (Buy) — Dollar CDs — SOR Linked Dep Offer — SOR Linked Dep Bid — ECU Linked Dep Bid — ECU Linked Dep Bid —	:		7.05-7.00 588 7.05-7.00 584 64	85, 91, 7,10-7.05 63, 65, 65, 64,	915 7.35-7.30 6-5 6-3 6-3 6-3	7,85-7,80 64 65 71 68

Treatury Bibs Iself) one-month 3), per cent, three months 8/2 per cent, Bank Bibs (self); one-month 8/3 per cent, three months 8/4 per cent, Bank Bibs (self); one-month 8/4 per cent, three months 8/4 per cent, Bank Bibs (self); one-month 8/4 per cent, three months 8/4 per cent, Bank Bibs (self); one-month 8/4 per cent, three months 8/4 per cent, Bank Bibs (self); one-month 8/4 per cent, three months 8/4 per cent, Bank Bibs (self); one-month 8/4 p

LONDON STOCK EXCHANGE

Equities strong on US trade figures

tions Jan 7 Jan 21 Dealings Day Jan 8 Jan 18 Jan 22 Feb 1 Jee ii

THE ANNOUNCEMENT of a where a: SFr2.70.0625 compared with FFr10.0625 compared with FFr10.06.

However its exchange rate index slipped to 74.7 from 75.4 at the opening and 75.2 on Thursday.

D.MARK Trndlng range against the dollar in 1987/88 is 1.9305 to 1.5740. December average 1.6354. Exchange rate index 149.8 against 146.9 six months ago.

Thursday.

D.MARK Trndlng range against the dollar in 1987/88 is 1.9305 to 1.5740. December average 1.6354. Exchange rate index 149.8 against 146.9 six months ago.

Thursday.

D.MARK Trndlng range against the dollar in 1987/88 is 1.9305 to 1.5740. December average 1.6354. Exchange rate index 149.8 against 146.9 six months ago.

D.MARK Trndlng range against the dollar in 1987/88 is 1.9305 to 1.5740. December average 1.6354. Exchange rate from a powerful upswing in the US dollar, UK equities reversed an early fall to surge by 50 pto 1.5740. December average 1.6354. Exchange rate index 149.8 against 146.9 six months ago.

very firm throughout the ses-sion, helped both by the trade figures and by good news on domestic inflation. Gains were checked briefly when the pound

fell, but prices rebounded as US bonds moved up strongly.

Mr lan Harwood of Warburg Securities commented that the rebound in the US dollar would help allay fears that the Federal Reserve might have to raise US interest rates to pro-

taste US currency.

The equity market was atanding 5 FT-SE points down, with business at a standstill, when the news of a US November trade deficit of only \$13.2bn flashed acrosa the trading

effect in London, where some UK securities houses had anticipated s deficit figure in the \$20bn range and were slow to follow the rest of the market in switching to the bull tack following the trade figures

These houses took a bearing when other market firms, both London and US-based, flooded the screens with aggressive buying orders for the interna-tional stocks. Within minutes, "backwardations" —indicating that shares could be bought from some dealers below the prices offered by others - were showing against such major names as Glaxo, Beecham, BAT Industries and ICL However, both screen quotations and market indices were overand market indices were overand for a time as traders of the increase in UK

When the market regained its poise, share prices shot up, led by a 60 point premium on the FT-SE 100 November Futures contract. The fall in the pound

Bass 1°795)

FINANCIAL TIMES STOCK INDICES Since Contollation Энц. 11 High Low Low 49.18 127.4 83.73 87.60 85.43 93.32 87.96 87.56 87.54 86.97 Government Secs. (9/1/35) G/1/75. (8/5/87) 99.12 (19/10/87) 90.23 (2/1.87) 50.53 (3:1:75) 105.4 94.52 91.52 94.55 94.62 94,44 74.46 (28)11)477 1926.2 05/6/87 1403.0 1232.0 1436.7 1398.7 1391.1 1396.9 1417.4 1926.2 (25/6/40) 43.5 (9/11/87) 1*16/718*73 116/7/87 261.6 (6/11/87) 333.0 734.7 264.1 266.1 290.8 296.5 294.5 (26/10/71 (15/2/83) S.E ACTIVITY 4.33 4.46 4.40 4.08 Ord. Div. Yield 4.45 Jen. 14 Jan. 15 Earnings Yld. %(full). 10.83 11.14 11.21 11.14 11.01 9.62 115.3 146.6 1734.8 135.7 136.7 2002.2 P/E Ratio (netX*) 11.32 11.00 10.93 11.00 11.13 12.75 27.733 44,842 SEAQ Bargains (Spm) 27,832 20.191 20 826 23,743 1757.58 845.33 994.15 Equity 7 ornaver (£m) 990.56 858.29 115.6 172.0 1992.8 54,066 21,104 22.624 25,242 31,429 **Equity Barmains** Shares Traded (ml) 314.2 37L8 362.5 408.8 625.2 4 p.m. 11 a.m. 10 a.m. 12 p.m. 1 p.m. 2 p.m. 1431.7 1440.1 1392.0 1393.3 1393.1 1393.9 1394.2 1412.2

Day's High 1440.4 Day's low 1391.6

Basic 100 Govl. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, 5 E Activity 1974, * NU=11.20. S.E. Activity Indices for 12/1/88 are available from F.7. Prices tel: 01-403 0669 LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-0898 123001

At the close, the FT-SE 100 Index was 43.8 up at 1786.7, after the mid-afternoon surge had taken it to 1791, an area last visited on Christmas Eve.

Government bonds responded to good news on UK inflation, in the form of an unexpected 0.1 per cent din in December.

0.1 per cent dip in December retail prices. Index-linked issues, which have been following conventionals of late, reverted to their traditional role, falling yesterday by about % as the retail sales figures The news had an electrifying suggested a slackening of infla-frect in London, where some tionary pressures. Short Gilts hung fire, following money market worries that rates could

move upwards.

The medium and longer dates quickly brushed off a dull open-ing and moved ahead on expectations of a low PSBR next year. Prices were % up when the US trade figures news pushed them ahead by a fur-ther ½ point. The extra gain was soon lost, but prices rallied again. At the close, long-dated stocks were a net one point up, with the mediums % to the

When the dust settled in the City, the market professionals admitted that concerns over the dollar will continue to linger in chances of the increase in UK base rates at which both the UK Chancellor and the Goveroor of the Bank of England have hinted.

British Gas took over from BP and Britoll as the most active issue in an oil and gas brought in buyers for the major exporting shares, and oil stocks sector brimming over with news and rumours. A firm per-

Plikington (*247 1

(*159)

Prodestial 1°843)

(*239)

Tr. 111/% 199. 1°106 1

7, 12% 1995 (*110)

Barcins (*491)

1*255 }

BTR 1*265)

Dispes (*284)

7458 1°458 Hansons 1°140 1

Lauriso (*261.)

Sears (*132)

Tess) (*159.)

Them EMI (*572)

800 850

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108

25 17 12

27 14

195 217 240 145 178 205 100 140 170 65 105 140 40 85 115 20 63 95 12 42 60

Jamesry 15 Total Contracts 42.510 Cells 26,731 Puts 15,779 FT-SE index Calls 2,794 Puts 2,932

200 220 240

LONDON TRADED OPTIONS

Jan. Apr. Jul. Jan. Apr. Jul.

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Affied Lynox, 300 43 55 63 1½ 7 18 (*342) 330 15 37 45 5 20 30 360 3 22 32 25 38 47

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135 160 102 130 70 105

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11₂ 2 7

10 28 22 45 42 65

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52 42 -15 33 17 28 47

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17 25 42

42 28 17

20 12 S 24 17 12

45 55 32 42 22 32

390 420 460

330 360 376

Rolls-Royc (*136)

22 17 17

14

formance by crude oil prices –
February Brent was up 25 cents
to \$16.75 late in the day after
reports that a Norwegian
tanker had been attacked in the
Gulf of Hormuz, output cuts,
and denials of price discounting
– coupled with the good news
from the US lifted British Gas
shares 3 to 137p after a turnover of 137p.

But much investment attention remained fixed on the BritBritish Gas
British Gas

over of 137p.

But much investment attention remained fixed on the British/BP/Arco situation after British/BP/Arco situation a tion remained fixed on the share plus cash offer from BP. Turnover in Britoil topped 5.2m shares active stock in the electronics sector. The shares dropped to and the shares settled unchanged at 457p as a good two-way business developed.

Thought to have the first to picked up more ahares after GEC's Ma announcing their stake had that some! been upped to 23.83 per cent. Rumours in the market examined. suggested the Britoil defence But by 1 But by the close the shares

BP shares, both "old" and "side on this atory is about 10 side on this atory is about 10 general upturn in equities with the latter 1½ up at 74p on a turnover of 3.3m and the former 5 firmer at 257p on a turnover of 4.3m. Shell, overshad-for the latter as the French countries of the latter as the first of the latter as the French countries of the latter as the first of the latter as the first of the latter as the French countries of the latter as the French countries of the latter as the French countries with the latter as the first of the latter as the French countries with the la

Option Feb. May Aug. Feb. May Aug.

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30 45 62

14 25 37

tracyts were being closely

document could contain an asset value of as much as 550p a share and that any counter after a turnover of 18m. The from ARCO in the region of general market view of the situ-480p would be followed by a ation was neatly summed up by higher bid from BP, perhaps up to 550p.

BP chapter both "old" and "other story is about 10m" and on this story is about 10m". over of 4.3m. Shell, overshadowed recently, sprang to life following good support from two leading marketmaking for open market bids from both companies; Grand Met has informed the French stock exchange that it is making a final offer of FFr.3,300 per market talk suggested the long-awaited bid from RTZ could well materialise next week. Enterprise, stimulated by sto
| CALLS | PUTS | Feb. May | Aug. | Feb

Pilkington, the St Helens based glass company, remained in the limelight as speculators continued to pin their hopes on

once again, talk that BTR may return with a fresh offer for the company was behind a rise in the share price, up 8 at 247p, but late in the day Hanson joined the ranks of possible son joined the ranks of possible predators. Also, Pilkington announced proposals to increase its European prices for float glass by 6.5 per cent to 8 per cent, helped to enliven busi-ness. Some 10m shares changed hands.

Fianancial sectors performed exceptionally well after the US economic news "The last thing the clearers, merchant banksand insurance groups needed after the ravaging in October was another US-inspired slump" said one trader.
The big-four banks were high-

The big-four banks were high-lighted by Lloyds which jumped a further 10 to 258p in response to a "buy" recommen-dation from Warburg Securi-ties, "buy for the brave" advice from Morgan Grenfell and a recommendation to switch into the shares from Midiand issued by UBS Phillips and Drew. Bar-

the shares from Midiand issued by UBS Phillips and Drew Barclays added 11 more at 491p, still helped by the Wood Mac "buy" note while NatWest firmed 7 to 595p.

But preliminary results from TSB were deemed "disappointing" by dealers who kept the shares under pressure to close a fraction off at 115p.

Life insurances were "oversold" according to dealers. New

Life insurances were "oversold" according to dealers. New
hife business figures gave a filllp to Prudeutial, up 15 at
843p, whila composites showed
Sun Alliance - hit recently by
a BZW downgrading - up 16 at
837p. Willis Faber featured
the brokers and slumped 16 to
222p after an apparent downgrading by UBS Phillips and
Drew and talk of further staff
defections. Hogg Robinsan
jumped 10 to 159p reflecting
keen buying on the inter-dealer
broking screens. broking screens.
Breweries met with selective

support with trade expanding from the recent low levels. Interest centred mainly on the majors.
Marketmakers welcomed the

Marketmakers welcomed the strong upturn in trade in the Building sector. Bine Circle attracted a turnover of some 4.1m shares and closed 8 higher at 428p, while Redland, with 1.8m traded including about 700,000 shares around the 427p level, firmed 6 to 436p. Tarmac revived strongly with a gain of

14 at 293p and Rugby firmed 5 to 243p. Marley continued to perform and closed 5 up at 142p, a two-day rise of 13, and AMEC added 5 more to 339p. Ruberoid gained 12 to 140p on revived bid speculation, while speculative demand lifted Magnet to 202p before the close of 2 dearer on balance at 200p; around 400,000 Magnet shares changed hands.

around 400,000 Magnet shares changed hands.

A smart recovery in the US dollar sparked support for ICI which closed 'a up at \$11%. Allied Colloids picked up 8 at 135p and Chalite firmed 5 to 330p. Amersham International, a recent takcover favourite, firmed 6 more to 467p.

46īp. Cnble & Wireless enjoyed Chble & Wireless enjoyed widespread support and raced up 17 to 372p on a turnover of 4.3m shares reflecting its sensitivity to the dollar. STC added 5 more at 241p on a turnover of 5m still boosted by the "buy" recommendations from Morgan Grenfell and Citicorp Scrimerous Vickers.

geour Vickers.
Leading Foods attracted 2 Leading Foods attracted a reasonable two-way business. Cadbury Schweppes gained 6 to 261p on currency influences and recently-dull Tate and Lyle revived with a gain of 17 at 787p. Banks Hovia McDongall attracted revived speculative support on takeover hopes and put on 12 to 325p.

Trusthouse Forte attracted good support zhead of next

good support zhead of next Monday's preliminary state-ment and rose 10 to 225p; nearly 4m shares were traded. Major international stocks

came to life with a flourish as the dollar moved ahead in the wake of the US trade figures. Trading activity, which had fallen away to almost a trickie during the morning session, expanded noticeably as currency influences gave a sharp boost to confidence. Although best levels were not always held, closing gains were still substantial. Hansun were one of the most actively traded stocks, settling 6 to the good at stocks, setting 6 to the good at 141p in a volume of some 14m shares. Beecham (4.5m) ended 20 higher at 469p and Giaxo (3.8m) closed ½ dearer at £105. Boots, up 9 at 256p met with a steady stream of buyers while BOC were outstanding with a gain of 20 at 416p.

gain of 20 at 416p.

Elsewhere, renewed support was forthcoming for Wellcome, 10 to the good at 395p, and London International 5th dearer at 292½p. Fisons, a current favourite with Warbrug Securities, met with fresh demand and put on 8 more for 273p. Rank Organisation improved afresh to 599p, up 15, ahead of the preliminary figures expected in about forthight's time: Morgan Grenfell, the securities house, are forethe securities house, are forecasting pre-tax profits of \$210m for 1987 and are also anticipating a 17 per cent increase in the final net dividend. Reuters, a particular US favourite, advanced smarrly to close 38 dearer at 538p

Jaguar responded strongly to the upturn in the US currency and spurted 23 to 341p. Lncas firmed 13 to 695p and Dowty moved up 7 to 173p. Among Motor Distributors, Lex Service continued to attract buy-ers at 328p. up 10, while T. Cowie added 5 to 115p as take-over rumours revived. Gerald Ropson's Herrey Company of the Pro-Ronson's Heron Corporation

Ronson's Heron Corporation holds a near-5 per cent stake.

Bunzi at 166p, regained most of the previous day's loss of 7 which followed a profits downgrading by Warburg Securities. Among the other dollar sensitive stocks, Saatchi and Saatchi moved up 25 to 438p and WPP closed 15 better at 463p. US acquisition news left Bemrose 5 to the good at 211p. Waverly Cameron, reflecting the decision to go ahead with its plan for a management buy-in by Mr James Gulliver, advanced 10 to 440p.

Leading Property shares gave a muted response to the US November trade figures, as worries about a possible rise in UK interest appears

worries about a possible rise in

worries about a possible rise in UK interest rates resurfaced. Land Secnritlea attracted a turnover of some 2.7m shares but only managed a gain of 3 at 461p. MEPC, 1.5m traded, firmed 4 to 444p.

Bats,in the limelight earlier this week following the \$4.2bn cash offer for the Californian based Farmera Group, moved ahead strongly in the wake of the advance in the dollar and finished the day with a gain of 14 at 452p. Around 5.3m shares changed hands.

Traded option activity group

changed hands.

Traded option activity expanded and contracts tota!led 42,510 comprising 26,731 calls and 15,779 puts. The FTSE contract attracted 2,794 calls and 2,932 puts. GEC registered 1,142 calls and 2,848 puts. while Rolls-Royce contributed 2,644 calls and 874 puts.

Traditional Options

• First dealings Jan 4
• Last dealings Jan 15
• Last declarations Aor 7
• For Settlement Apr 18

o For Settlement Apr 18

For rate indications see end of
London Share Service
Stocks to attract money for the
call included SI Group, Inoco.
Engla Trust, Norfolk Capital,
Blue Arrow, British Petroienm purtly-paid, Plessey,
Brunswick, BOM Huldinga,
Brunswick, BOM Huldinga,
Brunswick and Fountain and
Folkea. A put option was
arranged in Morgan Grenfell,
but no double options were
reported.

NEW HIGHS AND LOWS FOR 1987/88

MEW HIGHS (5).

BRITTEM PUNDS (1) Times. 2pc. II 1988.
SARKS (1) Moorgate Marcamtle Hidgs. TRIALS (1) Philips Lames, MOUS-BREWERS (1) Macatten-Glerifivet, BUILD-TRIALS (1) Alexander (W), SHEPPING (1) P. 2. 0. 5-ypc. Red. Non-Cum. Pref., TRUSTS (1) Gobs & Dandy, PLANTATIONS (1) Child Health, Marine And, New Darson Doors.

AMERICANS (1) Menutec. Harrows, BANKS, Joburg Cons., Embryche Gold, Non-Chaest (1) Commerchank, BREWERS (1) Clark

Res., THERD MARKET (1) Cherks & Artisans.

Financial Times Saturday January 16 1988 LONDON STOCK EXCHANGE

DEALINGS

Betalls of insularist close shows below have been betan with consist, from less Thursday's Stock Exchange Difficial List and should not be reproduced without garmicalen.

Details relate to those smarpling and included in the FT Share Information Services. Unless otherwise indicated prices are in peace. The prices are those at which the leadings think on the 24 tenses to the part of peace of the prices are in the state of the prices are the carden of gassation but in according writer which desoites the day's highest and lowest dentings, prices.

For those parameters in which we have not not recorded in Thursday's Official List the lotest recorded business in the fore greatest days is given with the elevant date.

† Bargains at special prices. # Bargains done the previous day. A Bargain done with non-manular or executed in oversels surfaces.

Corporation and County Stocks No. of Despites Included 2

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Corp of London 16% Deb 36% \$313 - 256 (12.168)
Greater London 16% Deb 36% \$313 - 256 (12.168)
Greater London Corpolation 58% 9052 - 255%
Blackburn Corpolation 16% - 2556
Mul Corp 37% Seigned 25% - 2556
Leade(City of) 13% Flad 58% 2005 - 2120 (5.168)
Lincoln Corp 3% Red 58% 1978[or after) - 224
Salload Corp 5% Fled 58% 86/86 - 295%
(12.1680)
Local Authority 10%% Bds 17/8785 - 2100.434 (8.168)

UK Public Boards Residuaria Mortgage Corp PLC45% Deb Sik 61/91 - 261 Sik 61/91 - 261 Sik 61/91 - 261 Sik Deb Sik 54/95 - 265 Sik Deb Sik 54/95 - 265 71/4 Deb Sik 54/95 - 265 10/4 Deb Sik 54/95 Port of London Authority3%% Sik 46/99 -244

£44 cotion Agric Sac Corp 14% Deb Six 1993 — £110% (11Je68) Commonwealth-Government No. of bergains industrials South Australian 3% Cons Ins Sik 1918(or after) — 922% — Jersey Bischicky Co Ld9% Gid 84: 2000 — 201% (Blass)

Foreign Stocks, Bonds, Gic-(coupons payable in London) No. of bargains included in London) PLE48% Cav Bds 2022;874(2002) PLE48% Cav Bds 1986;876(2000) PLE48% Cav Bds 1986;876(2000) Part 10% Nat 1994 Ple48% Ple48% Ple48% Cav Bds 2000 Ple48% Ple58% Cav Bds 2000 P etc-(coupons payable in

11%% Bds 1898(Br 25000) - 2108% (11.868)
International Bank for Rec & Dev9% Bds 2007 (Br25000) (Pby Pd) - 223% — 11% Nits 1994(Br2500) - 2105% (12.868)
Investor's in Inclusive Group PLC 10% PS Role 1999 - 2100% 8 x — 1999 - 2100% 8 x — 1999(Br 25000) - 2100% — 2100% Land Bounties PLC 9% 5 Bds 2007 - 25000 — 2100%

263% P. Cow Bds 2002 - ERS's 90% (S.leffle) Easte North Said PLC9X% Cay Bds 1999 --265% (S.lefle) Londo Finance PLC4X% Cay Gid Bds 2002 (12.869)
Lucas Industrica Inc.5%% Cav Bde 2008 —
\$108%
MEPC PLCT1%% Bds 1998 — \$101% \$20
Mepc PLC5%% Cav Buhord Bds 2002 —
\$292% (8.869)
Metropolitan Estate & Prop Int NV8%% Cav
Bds 1980 — \$142.15 (11.868)
Methops Westminster Buck PLC5% Depose
Nat 1982 — \$26 (11.868)
Next PLC5%% Cav Bds 2002 — \$147
(12.868)
Perrson PLC5%% Cav Bds 2001 — \$144

Noor PLC6%% Crof Buts 2002 - 2117
(12)a889
Pearson PLC5%% Cror Bds 2004 - \$164
6.62 (11)a889
Zero Cror Bds 1980(8)g2(80086000) - 268% 3% (8)a89
Ranks Holde ReCoupel PLC4%% Cror Bds 2003 (8)25000) - 2106% (12)a889
Reed International PLC71%% Bits 1984(8)-2500) - 2101% (12)a889
Reed International PLC71%% Bits 1984(8)-2500) - 2101% (12)a889
Smith(W34)& Son(16)aps PLC77% Subord Cror Bds 2002 - 2103 (8)a889
Wellcome PLC9%% Bds 2006 - 268% (11)a889

Sterling Issues by **Overseas Borrowers** No. of bergette loctuded66

Asian Development Bark 10% Ln Silk
2009(Reg) – 2574 749

Australin(Controd wasth 0,95% Ln Silk
2012(Reg) – 285% % %
11% Ln Six 2013(Reg) – 2104% (Balata
Bark of Grasca 10%% Ln Sik 2010(Reg) –
251% (11,1488)
Calesa Nationale Des Autoroutes 18% Girl Ln
Sitk 2008 – 2140% %
Cana Overseas Franco NY 13% Use Ln Silk
2008 – 2112% (11,1489)
Candi Ponder De Franco
– 296% (13,1489)
14%% Girl Ln Six 2007(Reg) – 2130% %

erk@Grigdom of 13% Ln Sik 2006 -

% Decement@Orgotom of 13% Ln Set 2006 — £112% Electricite de Prance 12%% Girl Ln Set 2008(Red) — £114%© 11%% Girl Ser Ln Set 2008(1274) — £109%© European inveniment Beaks% Ln Set 2001 (Red) — £28% (13.les) 10%% Ln Set 2006(Red) — £103% 11% Ln Set 2006(Red) — £103% 11%% Ln Set 2006(Red) — £103% 11%% Ln Set 2009(Red) — £105% 11%% Ln Set 2009(Red) — £105% 11%% Ln Set 2019 — £114% ½ % % % % #\text{c-Cushec 12.75% Ln Six 2019 - 2114% \times \

10 1874 - 1678 LB OM 2016 S 1895 CF.
1215 (12 Juli 5)

Inter-American Development Beats W. La.
St. 2015 - 2014 M.

International Bank for Rec & DevSN% La. Sic.
2010 (16 Juli 5)

11.5% La. Sic. 2003 - 2107% % \$

1.5% La. Sic. 2006 (Pag) - 2110% %

15. % %

Nov. Zestand 11%% Sic. 2014 (Pag) - 2165%
(11 Juli 5)

Nove Scotia Province 0 (111% La. Sic. 2019 - 210%)

- 2105% 16% Ln Set 2011 - 2144% Portugal(Pep of)9% Ln Set 2016(Peg) -251%® CHINO PROVIDE TENT LINE SER 2020 - 2110% % % % 1%
Speinfidegdom off 11 %% Lin SER 2020 - 21100 % % % 1%
Speinfidegdom off 11 %% Lin SER 2010[Fleg) - 211% (11.168)
13.5% Lin SER 2010[Fleg) - 2122% (Alabb)
Trinkfad & Tobago[Flepublic off 12%% Lin SER 2010[Fleg) - 2120% (Alabb)

Banks and Discount Companies No. of bergales included 806

No. or dergens incuded@05

Sent of intend(Source & Co of) 7% in Set
8891 - 276 (2.188)

Bartleys Bent PLC77% Uns Cap Ln Set
8671 - 290%
85% Uns Cap Ln Set 8663 - 292 %
12% Uns Cap Ln Set 2016 - 2107% %
16% Uns Cap Ln Set 2016 - 2107% %
16% Uns Cap Ln Set 2016 - 2107% %
16% Uns Cap Ln Set 2016 - 2107% % 15% Une Cap Ln Six 200207 - 21339, 4 (0.1659) 168 Server Group PLC8% Une Ln Six 8894 - 285% (12.165) McMand Sank PLC 10%% Subord Une Ln Six 9398 - 2102% 14% Subord Une Ln Six 200207 - 2118% National Westerioster Benk PLC7% Cam Pri 21 - 88 (12.1659) 0% Subord Une Ln Six 1998 - 2100% (12.1656) (13.1429) 12%% Subord Uns Lin Sit 2004 – 2110% % % 74 %
Protection—Backs Cap Funding PLCSY%
Cum Prf 21 — 100 (13.888)
Royal Bank of Sectional Group PLCSY/%
Cum Prf 21 — 52
Seath, St. Aubysphilogal PLCSY/% Cum Znd
Prf 21 — 113 (12.888)
Standard Constrainal PLCT25/% Subord Uns
Ln Sik 2002/07 — 2107

TSB Group PLCOR 28p - 118 34 4 5 6 8 7 Warburg (8.8.) Group PLC7W% Com Pri 21 - 102

Breweries and Distilleries

No. of bergeles Inclaide(353)

Allied-Lycris PLC5%% Cuin Pri 21 - 50%

7%% Cum Pri 21 - 65 & (12468)

3% Red Deb Six 8569 - 250 (13468)

6% Red Deb Six 8569 - 250 (13468)

6% Red Deb Six 8569 - 255 (13468)

7% Red Deb Six 8569 - 255 (13468)

7% Red Deb Six 8569 - 255 (13468)

7% Red Deb Six 8569 - 255 (13468)

6% This Lin Six 259 (12468)

6% Une Lin Six 259 (12468)

6% Une Lin Six 259 (12468)

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5% Une Lin Six 259 (12468)

5% Une Lin Six 2597 - 255 (13468)

5% Une Lin Six 2597 - 255 (13468)

7% Une Lin Six 2597 - 255 (13468)

Base Inventionals PLC6% Une Lin Six 8660 - 250 (13468)

7% Une Lin Six 2597 - 255 (13468)

Base Inventionals PLC6% Une Lin Six 8660 - 250 (13468)

7% Une Lin Six 2597 - 255 (13468)

Base Inventional PLC6% Une Lin Six 8660 - 250 (13468)

7% Une Lin Six 2597 - 255 (13468)

Base Inventional PLC6% Une Lin Six 8660 - 250 (13468)

7% Une Lin Six 2597 - 255 (13468)

Base PLC6% Une Lin Six 8660 - 250 (13468)

Regional Six 8762 - 256

Regional Six 8762

(8.le86) Higgsone Snelvery PLC354% thes Ln 886 200005 - 280 (18.le86) Manafield Brewery PLCOrd 21 - 452 (18.le86) Mortand & Co PLC5% Com Pd 21 - 49

68 Julies Scottist & Nauconstin Brimariae PLCSN'S Comp Pri 21 — 51 (13 Julies) 7% Cam Pri 21 — 72 (12 Julies) 7% Cam Cam Pri 21 — 193 & 7% Cam Cam Pri 21 — 193 & 7% Tay's 1st Mig Date Sit 8094 — 205% (18 Julies)

Registered Housing Associations No. of bargains included nil

North Housing Association LnZ600 Cpn Ln Stk 2016 - 435 (6,le68) Commercial, Industrial, etc. No. of bargains included 10133 AECI Ld5%% Gum Prf R2 - 81 & (11Jet AGA Alcidebung Non-Restricted Series 75
Sid25 = BK145 146 (13.lebb)
AGB Feldeserth PLC236 Chv Prf 21: - 85
AMEC PLC15% Una Ln Sik 1992 - 2013
-(13.lebb)
Albi PLCOrd 10p - 900
Albion PLCOrd 20p - 75 (12.lebb)
Aloan Alaunianu Edom Six of Nev 8C33560

rs Hidge PLC A Pret VjOrd 10p -Alexanders Hidgs PLC "A" (Fist V)Ord 10p = .24 (13)a889.
Alical Textile Companies PLC 10% Cmr
Subord Ues Ln Bat 1998" - 2250
Anglo Norde Heige PLC 10% Cmr Uns Ln Skt
26/82 - 255 % (13)a889
Appletres Heige PLC Ord 70p = 150 (12)a889
Argust Group PLC 10% (12)a889
Argust Group PLC 10% (12)a889
Argust Group PLC 10% (12)a884 bits 10c Ord 1-.256

26 Arien PLC (1965 CW Uce Lis 36, 1999 – 2190 (13.1999) ASDA ART Group PLC 975 Cum Pri 21 708 (15.1899) Associated British Foods PLC 975 Cum Pri 21 = 57 (11,1688) 5%/% Une Ln Sek 87/2002 50p = 30 714% Uns Ln Six 87/2002 50p - 34 (113689)

Associated Electrical Industries Ld6%% Deb Str. 56/91 – 239 (Black)
Associated Februras PLC6%% Line Ln Str. 91/90 – 235 (Caladi)
Astra Holdings PLC0rd-5p – 36 3 40 48 % 1 1 1 % 2 % 3 Associated Februras PLC0rd-5p – 36 3 40 48 % 1 1 1 % 2 % 3 Associated Februras PLC0rd-5p – 36 3 40 48 % 1 2 1 – 39 (ISL86)
Automotive Products PLC4.59% Cum 2nd Pri 21 – 59 (ISL86)
Ayushire Metal Products PLC0rd 25p – 90 EA.T. Investments PLC10% Une Ln Str. 9095 – 237 (11-166)
405% Use Ln Str. 9095 – 2996
BICC PLC7% Deb Str. 85/90 – 291 (11-166)
7% Deb Str. 9095 – 236 (12-167)
BBC Group PLC12%% Une Ln Str. 2012/17 – 2109/49
BS. G.International PLC12%% Use Ln Str. 93/96 – 216 (13-166)
Beaus(CH-1) Rd69 PLC31% Car Une Ln Str. 2000 – 2137% (12-166)
Beaus(CH-1) Rd69 PLC31% Car Une Ln Str. 2000 – 2137% (12-166)
Beaus(CH-1) Rd69 PLC31% Car Une Ln Str. 2000 – 2137% (12-166)
Beaus(CH-1) Rd69 PLC31% Car Une Ln Str. 57/92 – 229

6kmid Cunicast PLC7%% Uns Ln 38k 67/92
- 239
6kmidett Hotton Hidgs Ld5%% Case Prf 88k
21 - 35
Hischwood Hodge PLC9% Uns Ln 88k 85/90
- 201% (12,088)
- 201% (12,088)
- 201% (10,088)
- 200 - 260 (11,089)
- 7% Deb 88k 88/98 - 267/40
- 9% Deb 88k 89/97 - 295%
- 10%% Deb 88k 96/98 - 2100 (12,088)
- 10%% Deb 88k 96/98 - 2100 (12,088)
- 200 Sik 96/98 - 2100 (12,088)
- 200 Sik 96/98 - 200 (12,088)

Booling Co-Shin of Corn Six \$6 - 2225 \$ 41%-42

Books Co PLC75% this Lin Six 82/83 - 239

Books Co PLC75% this Lin Six 82/83 - 239

Books Co PLC75% this Lin Six 82/83 - 239

Books Co PLC74% Corn Did Six 97 - 230 Six 97 Six 97

2011 - 1945-(11.005)
St. tin-Armirican Tobacco Co Ld6% Cum Prf
St. tin - 43
6% 2nd Cum Prf St. tin - 50
874% (12.005)
Pritish Home Score PLC5% Mag Deb Sk.
8994 - 275 (13.005)
Pritish Home Score PLC5% Mag Deb Sk.
8994 - 275 (13.005)
Prf tin - 52% (13.005)
Proven & Jectech PLC5% Sp. 12.0053
Proven & Jectech PLC5% Sp. 12.0053
Proven & Jectech PLC5% Sec Lin St. 2003 - 220 (13.005)
Proven & Jectech PLC5% Sec Lin St. 2003 - 220 (13.005)
Proven & Jectech PLC5% Sec Lin St. 2003 - 220 (13.005)
Proven & Jectech PLC5% Sec Lin St. 2003 - 220 (13.005)
Proven & Jectech PLC5% Sec Lin St. 2003 - 220 (13.005)
Pritish Lin St. 2003 - 220 (13.005)
Pritish Lin St. 2003 - 220 (13.005)
Pritish Lin Sk. 202003 - 220 (13.005)
Pr

SY/S 1st Mig Deb Str. 948004 - 239 (12-168)
9% 1st Mig Deb Str. 6589 - 296 (12-168)
9% 1st Mig Deb Str. 6589 - 296 (12-168)
Cultura PILSTO'A Cuan PILST - 115 (12-168)
Cunnon Strate Investment PILSTO'A'S Care
Curn Red Pil 94/36 - 211% (8-168)
Curto Enjohening Group PILOTO'A'S Com
Red Pil 94/36 - 211% (8-168)
Curto Enjohening Group PILOTO'A'S Com
Red Pil 21 - 110 (8-168)
Curto Enjohening PILOTO'A'S Une Ln Str.
68/37 - 294% (13-168)
Cuenteriain Phippe PILOTS Une Ln Str.
63/38 - 257 %
Charme Turnet Investments PILOS - 98
106
Charme PILOT'S Curn Pil 21 - 68 105
Charmos PLC7% Cum Prf £1 - 88
Charmos Indontrial Hidge Ls19%% Une
Ls Six 93/8 - Une%
Charter Convolidated PLC2p(Rd (Cpn 47) - 306
Chapston, Recessories PLC0ril 25p - 500 5
(12,1680)
Chicolds Group PLC7%% Let May Deb Six 45/90 - 250 (12,1680)
Chicolds Group PLC7%% Let May Deb Six 45/90 - 250 (12,1680)
Chicolds Group PLC7%% Let May Deb Six 45/90 - 250 (12,1680)
Chicolds Group PLC7%% Set May Deb Six 45/90 - 250 (12,1680) Clutsom-Penn International Ld7%% 2nd Deb Six 8631 - 2000 Clyds Sixwars PLCOrd 250 - 2100 Closts Painons PLC4%% Uns Ln Six 2002007 - 252 (13.558) 59% Une Ln Six 2002007 - 253% 4% Costes Viyelle PLC4.9% Cum Pri 21 - 30 (13.559) Cylen(A) & Co PLCNon.V W Ord 20p -425 (21.569) Cookson Group PLC7% Cum Pri 21 - 52

425 gLiass)
Cookson Group PLC7% Cum Pri £1 = 82
Cookson Group PLC7% Cum Pri £1 = 82
Cope Affanan International PLC7%% Red Uns
Ln Str.71/80 = £100Φ
Corner Brook Pulp & Paper Ld4%% Cum Pri
Six £1 = 41 gLiass)
Courtealds PLC5% Cum 1st Pri £1 = 42

Courination PI C5% Cum 1st Prf 21 - 42
(8.168)
7% Deb Sitt 89/94 - 298
5% Ums Ln Sitt 84/96 - 275
6% Ums Ln Sitt 84/96 - 275
(13.168)
7% Ums Ln Sitt 94/96 - 275
(13.168)
7% Ums Ln Sitt 94/96 - 284 5 %
7% Ums Ln Sitt 94/96 - 284 5 %
7% Ums Ln Sitt 94/96 - 284 5 %
7% Ums Ln Sitt 94/96 - 284 5 %
7% Ums Ln Sitt 94/96 - 275
(13.168)
Cointe(Purishers) PLC7.7% Cum Prf 21 57 (12.168)
Cointe(Purishers) PLC7.7% Cum Prf 21 211
Crystolate Hidgs PLC8% Cov Ums Ln Sitt
2003 - 2113
94% Gry Ums Ln Sitt 86/2000 - 2246 2003 - 2113
9%% Crw Uns Ln Sik 88/2000 - 2346
(13,1865)
DAKS Simpson Group PLCOrd 25p - 216.1
(8,1869)
DRG PLC7%% Uns Ln Sik 85/91 - 291%
Deigesy PLC4.85% Com Prif 21 - 30 8% %
7%;

Deigesty PLC-4.85% Curn Prf £1 = 50 8% %
7/14;
Device & Metcaste PLC-7-(Non-VyCrd 10p = 68 73 (1 1,1a86))
Debarhams PLC-7-1% 2nd Deb Sik 91/98 = 295 (8,1a96)
8/% Une Ln Sik 95/91 = 295
7-1% Une Ln Sik 2002/07 = 277 (12,1a66)
7-1% Une Ln Sik 2002/07 = 278
Delta Group PLC-3.19% Curn 2nd Prf £1 = 41% (8,1a69)
7-1% Deb Sik 95/95 = 293% 4% & 6,1a65)
10% Deb Sik 95/95 = 293% 4% & 6,1a65)
10% Deb Sik 95/95 - 293% 4% & 6,1a65)
10% Deb Sik 95/95 - 2099
Demokratigl...)(Hdge) PLC-9.75% Curn Prf £1 = 100 (12,1a66)
Dewokratigl...)(Hdge) PLC-9.75% Curn Prf £1 = 110-9
Dewokratigl...)(Hdge) PLC-9.75% Curn Prf £1 = 110-9
Dewokratigl...)(Hdge) PLC-9.75% Curn Prf £1 = 100 (12,1a66)
Dominion International Group PLC-Warrants
to sub for Ord = 10
Dew Chemical Co-Corn Sik \$2.50 = \$84%
(12,1a69)
BALAP EF COM 58 = 387

to sub for Ord — 10
Dow Chemical Cocton Sit \$2.50 — \$84% (12.1888)
SMAP PLC Cod 25p — 787
Elicotta.) PLC 3.15% Rad Cum Prig2000jc1 — 50 (8.1869)
7% Crav Cum Rad Pri 21 — 101 & % Bys (Nimbledon) PLC Cod 25p — 520 Giglist Electric Co L67% Deb 38t 8681 — 289 (11.1888)
Europeen Home Products PLC 5%% Case Cum Rad Pri 2006/11 £1 — 104 (11.1888)
Europeen PLC Europeans SAUmbs (Rag) — 224.2 2.47 (2.1889)
European PLC Europeans SAUmbs (Rag) — 22.42 2.47 (2.1889)
European PLC Europeans (SAUmbs (Rag) — 22.51 (11.1889)
European PLC Europeans (SAUmbs (Rag) — 2155 (11.1889)
Eutol Group PLC 7.7% Care Line Ln Set 05/08 — 2155 (11.1889)
Eutol Group PLC 7.7% Care Cum Rad Pri 95/99 £1 — 196 (8.1889)
FG Group PLC 7.7% Care Cum Rad Pri 95/99 £1 — 196 (8.1889)
FG Babooch PLC 7% Rad Care Pri 21 — 500 (8.1889)
Fileone PLC 5%% Obb Sitt 84/889 — 295% % (13.1889)

(Russey)

Flaoris PLC5X% Deb Six 8468 - 295% %

(T31,985)

53% Uns Ln Sck 2004/09 - 258

Folices Group PLCOrd Sp - 44

Fosseo Mirasep PLC1076 orw Dns Ln Six

90/95 - 2120 (81,988)

Plandly Hotels PLC4X% orw Com Rad Prf

21 - 82% 3 7

5% Cnv Cam Rad Prf 21 - 128 (12,1858)

Future Hidge PLCOrd 25p - 340 (81,985)

GNN (Inhibad Kingdorn) PLC7X% Gad Deb

Sak 96/91 - 291 (12,1886)

7% Sad Deb Six 87/92 - 29146

7% Gad Deb Six 87/92 - 29146

105% Gad Deb Six 90/95 - 295

G.R.(Hidge) PLC10X% 2nd Cum Prf 21 - 126 (81,986)

General Becaric Co PLC7X% Uns Ln Six 88/93 - 259 (13,1886)

General Motors Corp Cure Six \$1 28 - 86/14/8 ner Hidge PLCOrd Cap 25p = 185

(8.1a88) 10% Car Une Ln.Sik 90/95 - £117 10% Cas Ues Ln. St. 90/95 - E117 (12/Ja89)
Gharrer Group PLCOrd 10p - 175 (8/Ja89)
Gharrer Group PLCOrd 10p - 175 (8/Ja89)
Gharrer Group PLCOrd 10p - 18/Ja89 - 290 (12/Ja89)
Goodwan Feder: Wattis LdOrd \$40.50 - 72 (12/Ja89)
Goodwan PLCOrd 10p - 34
Geralett Group PLC/L5% (Net) Car Pri 10p - 120 20 7 2 Crand Metropolitan PLCS% Cust Pri 21 - 450.

= 120 20 1 2
Grand Metropoliten PLC5% Cust Pri E1 450
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(18,1e66) ITL Information Technology PLCOrd 10p = 82**0** Incompanies the among the process of S29

Bingworth, Moxtle PLC5%% Cure 2nd Pri Six 27 - 80%

Imperial Chemical industries PLC5%% Uns Ln Six 94/2004 - 255% 6

7%% Uns Ln Six 86/91 - 251 2

6%% Uns Ln Six 86/93 - 251% 2 % 3

11%% Uns Ln Six 91/96 - 2103

Imperial Cold Storage&Supply Co LdCrd R0.25 - 180

International Bus Mach Corp.Site Cap Six \$1.26 - 552%

RD.25 - 180*
International Bus Mach Corp.Shs Caro Six \$1.25 - 282%
International Colour Management PLCOrd 25p - 100 (13.869)
New Ord 25p(Fpt.A-15/1/88) - 100 Ф
Jacksons Bourne End PLC25p - 425 40 (13.869)
Johnson & Fritt Brown PLC117% Une Ln Six 82/86 - 282
Johnson & Fritt Brown PLC117% Une Ln Six 82/86 - 282
Johnson & Matthey PLC87% Cav Com Pri 21 - 480 Ф
Juliana" & Hidge PLC77% Cav Une Ln Six 2000/12 - 257 (8.869)
Kent(3.8.) & Sone Ln57% Cam Ptg Pri 62%p - 22 (11.869)
Langsley & Fonetier Group PLC3.85% Cam Pri 2 - 50 (13.869)
Laddrote Group PLC67% Gid Une Ln Six 96/92 - 290 (11.869)
Langsley & Fonetier Group PLC3.85% Cam Pri 2 - 50 (15.869)
Langsley & Fonetier Group PLC3.85% Cam Pri 2 - 50 (15.869)
Langsley & Fonetier Group PLC3.85% Cam Pri 2 - 50 (15.869)
Langsleini PLCOrd "A" Non Vig 25p - 274 & Lang Group PLC67% Une Ln Six 86/83 - 252

Laind Group PLC6% Lins Ln Stk \$663 - 252 (3.165) Lamont Hidge PLC10% 3nd Cum Pri 21 -110 21 (5.465)

Metal Box PLC4.9% Curn Pri Sik 21 - 63
(RLadis)
105% Una Ln Sik 9297 - 256 (12.ladis)
Morcesu Hidge PLC2%% Curr Una Ln Sik
2000 - 2709-59
(13.ladis)
Naway Group Ld5% Curn Pri 21 - 50
(RLadis)
Naway Group Ld5% Curn Pri 21 - 50
(RLadis)
Naway Group Ld5% Curn Pri 21 - 50
(RLadis)
Naway Group Ld5% Curn Pri 21 - 50
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Naway Group Ld5% Curn Pri 21 - 50
(RLadis)
Naway Group Ld5% Curn Pri 21 - 50
(RLadis)
Naway Katemational PLC7% 1st Curn Pri 21 - 63 (RLadis)

TOK'N Uns Ln Six 98-96 — 285 (8.1e85)
News International PLC7% 1st Cum Pri 21 —
63 (13.1e85)
Noble & Lund PLC8% Chv Cum Red Pri 21 —
107
Noble Group PLC0rd 10p — 212
Normany Group PLC3%% Chv Uns Ln Six 98-94 — 2105
Normany Group PLC3%% Chv Uns Ln Six 98-94 — 2105
Normany Group PLC3%% Chv Uns Ln Six 98-94 — 2105
Norma ASCalses "Stylon Vigi NK20 —
25.2 6% 5 9% 6% DM18% NK57% DK67%
NK59 58%
North British Sixel Group Pidgui PLCOrd 25p —
28

- 28 3% Com Red Pri 21 ~ 38 7% Une Ln Set 200005 - 285 (12,1488) 8%% Une Ln Set 3693 - 289 (12,1488) 9% Une Ln Set 3095 - 281 ½ (12,1488) Northern Foots PLGTY% Deb Set 6569 -238 (13,1488)

Norton Opex PLC5%% Cav Cum Red Pri 2002 51 - 90 Cherifacopelifoceant PLCOrd 25p -3000 PLM AS 15 Unrestricted She SK 25 - SK205

ation She of Com Sik \$0.25 -\$28% (Bled5)
Peragon Communications PLCNew Ord 5p
(FpiLA-15/1/85) = 65 (12.1e85)
Pardand Textile(Htdgs) PLCOrd 25p = 192

Parkiand Tandishinkgs) PLCCrd 25p = 192 (11.989)
4.2% Cum Prf 21 = 54
Pitterson Zochonite PLC10% Cum Prf 21 = 118.20 (12.985).
Pearson PLC8.20% Use Ln Sik 88/83 = 296 8.52% Use Ln Sik 88/83 = 296 (13.985) 10%% Use Ln Sik 88/85 = 296 (13.985) 13.825% Use Ln Sik 88/85 = 296 (13.985) Player IncCon 80.10 = 582.48 (8.988) Pitton PLC6% Cum Cnv Red Prf 21 = 117 (13.1865)

Phicon PLCD's Cum Griv Red Pri E1 - 117
(13.1a65)
Philipum PLCB% Cum Pri 50p - 26 (6.1a85)
Phasey Co PLC7%* Deb Sik 12/97 - 234
(11.la85)
Porter Charloum PLCB% Criv Uns Ln Sik
94/2000 - E177 (13.la85)
Porter Charloum PLCB% Criv Cum Red Pri
1993 21 - 100 (12.la85)
Cusens Most Houses PLC10%% 1st Mag
Deb Sik 2020 - £22%
Cusintiful 3.1 Group PLC18% Cum Pri E1 112 (17.la85)
R.E.A.Hidge PLC9% Cum Pri 21 - 700
18% Criv Uns Ln Sik 2000 - £220
R.R. Nableco InoSha of Com Sik NPV \$46.257190
RPH 1245%* Une Ln Sik 200409 - £46

RJR Nablect incSha of Com Sak NEW - \$46.257130 The Lin Sak 200409 - 240 9% Uns Lin Sak 200409 - 240 9% Uns Lin Sak 992004 - 250 9% Uns Lin Sak 992004 - 250 (11.985) Rank Organisation PLCSW Cum Pri 21 - 65 (11.985) 8% Uns Lin Sak 8993 - 295 109/W Uns Lin Sak 8993 - 295 109/W Uns Lin Sak 878002 - 2103 (13.985) 8% Uns Lin Sak 878002 - 2103 (13.985) 8% Uns Lin Sak 8780 - 295 (11.985) 8% Uns Lin Sak 8588 - 295 (11.985) 8% Uns Lin Sak 8588 - 295 (11.985) 8% Uns Lin Sak 85994 - 235 (12.985) 8% Uns Lin Sak 9094 - 235 (12.985) 8% Uns Lin Sak 9194 - 235 (12.985) 9% Uns Lin Sak 91

(8.5x88) lead intermetional PLC5% Curn Pri 21 - 46 (BJeBS) 7% Cum Pri 21 - 85% (BJeBS) 7%% Deb Six 87/92 - 290 (12JeBS) Recold PLC7%% 2nd Deb Six 92/97 - 282

(8,1a80)
Rocteware Group PLCS%% Com Prf £1 — 59% 60% (13,1a86)
7.7% Cum Crw 2nd Prf £1 — 275 (11,1a86)
Pt05e-Royce PLCOrd 20p — 126 % % 7 7 % & 8 871 5 30 30 1 2 40
Rogner PLC11%% Cum Prf £1 — 135
Rowntrae PLCWarrants to sub for Ord — 2425 2425 8% 1st Cum Pri 21 – 52 (12,568) 7%% 3rd Cum Pri 21 – 68 (12,568) Rugby Grup PLC6% Uns Ln Sik 93/98 – 273

Rigby group PLC9% this Lit Six 93/95 – 273
Rissell Aliszander) PLC5.75% Curr City Red Ptf - 75 (13.698)
Ruston & Horneby Ld9% Deb Six 87/92 – 271 (12.698)
Să Li Strove PLC Warranta to sub for Cird - 65 (3.689)
Sanchi & Sancichi Co PLCADR (2-1) – 212.299
95 Ciry Una Lin Six 2015 – 2109 (3.689)
Salesbury, J. PLC95% 1st Mig Deb Six 86/93 – 286
95 Aird Una Lin Six - 275 (13.689)
Scape Group PLC9% Una Lin Six 88/93 – 287
Schering AGShs of DM50, 100 3.1000 (Cpn Schering AG Shs of DMS0,100 &1000 (Con

Scheinig AG Shis of DMS0,100 &1000 (Con 51) — E121.375838 Sears PLC 7% "A" Cum Pri £1 — 64 71% Une Ln Six 6967 — £83 (121889) Sears, Rochuck & CoShis of Com Six 90.75 — 3:32.41803 (11.1888) Smith (W.H.) Group PLC 18" Ord 10p — 62 5:X% Rad Une Ln Six - £47 9 Smiths Industries PLC 75% Dab Six 8868 — 296 Spensit(C.A.)(Special Agency)Ord 50p — 217 (3.1889) Spites Ld 7% Dab Six 8468 — 295 Spons Hidge PLC Cov Cum Rad Pri 20p — 90 (11.1888)

(11 Jase)
7% Cav Cum Red Pri 21 - 100 (13 Jase)
7% Cav Cum Red Pri 21 - 100 (13 Jase)
(12 Jase)
(12 Jase)
11% Cum Pri 21 - 12s 30 (8 Jase)
State(651) - 288%
(0 Cabousa PLC 9% Cav Uns La Sak 1992 2162 E162
Subditis, Speakment PLC Warrangs to sub for Ord = 67% (12168)
9% Red Cum Pri E1 = 104
Swingtohn) 8 Sons Ld6.2% Cum Pri EF = 79
(121689)
Symonds Engineering PLCOrd Sp = 33 4
T & H PLCOrk May Deb St. 57/82 = 290
78 1889

(8.1688) 11 %% Mhg Deb Sik 95/2000 - £105 (12.ladd) TDK CorporationShis of Cum Sitk Y50 - Y740 790 Tarmeo PLC6X% Deb Stk 89/94 - 275 7%% Deb Sik 87/92 = 289 (12,468) True & Lyle PLC&X% Com Pri Sik 21 = 60

Time & Lyte PLC&X% Com Pit Six x1 — w/ (8.168)
7 %% Deb Six 88/84 — 286 (12.168)
10%% Use Lin Six 2003/08 — 2108 (8.1689)
13%% Crw Une Lin Six 94/99 — 2863
(12.1688)
Telfoe Hidge PLCWerrands to auth for Ord — 37 (11.1688)
8% Cam Pit 21 — 105 (18.1688)
Telcmeseec Ges Pipeline Co 10% Sig/S Crw
Une Lin Six 81/85 — 21558
Tesco PLC4% Une Deep Disc Lin Six 2008 — 245% % % %
Tex Holdings PLCOrd 10p — 105 18 245% % % % % Town Holdings PLCOrd 10p - 105 13
Thomson Organisation PLC4.72% Cum 1st Pri 21 - 50
5.85% Cum Pri 21 - 90 2
21.7% Cum Pri 25p - 72 (11.Je68)
7%% Lus Ln Sit 87/82 - 506 (12.Je68)
THORN EMI PLCWerrents to sub for Ord - 135

THORIN EMI PLCWerrents to sub for Ord — 135

3% Lins Ln Sk: 2004/09 — 285 (8.1689)

7%% Uns Ln Sk: 2004/09 — 275 (11.168)

78/6 Uns Ln Sk: 2004/09 — 275 (11.168)

78/6 Uns Ln Sk: 88/94 — 281

Toolal Group PLC5% Cum Prf 27 — 40
(12.168)

78/6 Uns Ln Sk: 88/94 — 280 (13.168)

78/6 Uns Ln Sk: 88/94 — 280 (13.168)

Trafalgur House PLC7% Uns Deb Sk: 27 — 61 (12.168)

3% Uns Ln Sk: 200/05 — 286 (8.668)

Terrenod Group PLC Wermink to sub for Ord — 17 22 (13.168)

Trafalgur House PLC Wermink to sub for Ord — 17 22 (13.168)

Trafalgur House PLC Wermink to sub for Ord — 17 28 (13.168)

Trafalgur House PLC Wermink to sub for Ord — 55

78/6 Cum Prf Sk: 21 — 45 (13.1686)

Trustiouse Forte PLCWerrants to sub for Ord - 55
7-25% 1et Mag Deb Six 86/91 - 290© 10.5% Mag Deb Six 91/86 - 2100
9.1% Use Ln Six 95/2000 - 290 (11.1e86)
Ungere PLC5%% Deb Six 83/88 - 294
65/% Uns Ln Six 91/90 - 277 9 81

Twister Land Set \$1,200 - 2006

21 - 55

7% Curn Pri Set £1 - 65% (12,1665)

United Biscults/Hitgs1 PLC Witersets to subten Ord (1889) - 118 8 20 3

United Biscults/Hitgs1 PLC Witersets to subten Ord (1889) - 118 8 20 3

United Scientific Hitgs PLC5.5% Cnv Curn
Non-Vig Red Pri £1 - 85% 0 %

United Scientific Hitgs PLC Ord 250 - 70 (13,1659)

Vinitons Viyelin PLC Ord 250 - 70 (13,1659)

Vinitons Viyelin PLC 4.55% Curn Pri £1 805.49

5.8% Curn Pri £1 - 74 (12,1689)

8.4% Deb Six 83894 - 822 (13,1669)

7.75% Uns Ln Six 87892 - 239%

Victors PLC5% PritNon-CurilStit £1 - 44

(1,1,1659)

5% Curn (1st Free To 30,97f Set £1 - 00

Victor Products PLC 10% Curn Pri £1 - 115

Victors Gurpet Hidgs PLC Ord 250 - 112

(13,1659)

Volvo AB 3° SIC2S(Non-Restricted) - \$47%

Volvo AB 3° SIC2S(Non-Restricted) - \$47% (13Je85)
Volvo ARTE' SICES(Non-Restricted) - \$47%
47% 48 SICES(N 282
WB Industrise PLCOrd 10p - 41 2% 5
WCRS Group PLC56% Cm Cum Red Ptf
1999 18p - 103 6 (12Je86)
Walter & Staff Holge PLCOrd 5p - \$1 8 103
(13Je86)

Watter & Staff Högs PLCOrd Sp = \$1 8 103 (13.568)
Walter & Staff Högs PLCOrd Sp = \$1 8 103 (13.568)
Walter Greenbank PLC684% Caw Gue Red Pri 25p = 110 (11.568)
Watter Communications IncCorn Six \$1 = £15½ (13.568)
Warner Communications IncCorn Six \$1 = £15½ (13.568)
Warner Holkinys Ld6%% Cum Pri £1 = 60% (8.568)
Warner Lastbert CoCorn Six \$1 = \$72 (12.568)
Watter Management IncSixs of Corn Six \$1 = £15% \$35% (11.568)
Waterford Glass Group PLC0rd M20.05 (inc Waterford Wedgecod) = 83 & 7
Waterford Wedgecod) = 83 & 7
Waterford Corner PLC6% Cum Pri £1 = 56 (13.568) (13398) FLCWarrents to sub for Ord -25.7

- 25 7
71% One Cum Pri £1 = 107 8
71% Deb Six 87/92 - 290
Whitscroft PLC-1.1% Cum Pri £1 - 52
(13.950)
Wilsons Hidge PLC-10%% Cum Pri £1 - 120
(12.958)
Xerox Corp.Com Six \$1 - 232% (11.1988) Financial Trusts, Land, etc. No. of bargeins included 304 Afterioan Express CoCom \$0.60 - £18.70 Amour Trust PLC 10%% Uns Ln Sik 91/96 - Baille Gitlord Technology PLC Warrants to sub for Ord – 12 Britannie Amow Hidge PLC Wite To Subscribe for Ord – 38 (121488)

Britannie Anow Hidge PLCWite To Subscribe for Ord – 38 (12.1689)
8% Cum Pri 21 – 60% (13.1689)
8chien & Commonwestin Hidge PLC 10%%
Une Ln Six 2012 (250Pd-11/2563) – 248%
% % % % % % % % % % Compagnie Bancare S.A. FF100(8n) –
2234.762639 333.66529 335.7793339
336.29449 337.2365899 337.2365679
343.7347419 345.622809
Daty Mail & Genoral Trust PLCVd Sop –
238 (12.1669)
European Bank Trusted Curr. Fund Liffing Income Sep 30.01 – 23.51
F & C Enterprise Trust PLCWiterrants to sub for Ord - 18 (13.1689)
Ferguson Liernseiftigs PLC Ord 10p – 57
Frat Debenture Fundto PLC 11.1267%
SevididDeSix 2018(FpAL-291.68) – 299%
Exhibition i Benk Chart Cart. School School Sop (13.1689)

7s First National Pinance Corp PLC 10% Subord Une Ln Sik 1962 - 295 6.T. Asia(SearingFund LdPig Red Prf 1p -28.57 (12 last8) Grashem Trust PLC 72% Gtd Vos Ln Sik 8681 - 260% (12 last8), Higherot researcent Trust PLC Ord 25p -195 (12 last8) Higheroft investment Trust PLCOnd 25p – 195 (12,665) 18 Globel Funds LdPtg Rad Prf \$0.01(Menaged She) – £16,13 Incheape PLC85/5 Cust Red Prf 9092 £1 85

85 5% Uns Ln Sik 57/80 - 232 12%% Lies Ln Sik 53/86 - 2103 5% (13.le85) International Cay Hidge PLC35% Caw Com Rad Pri £1 - 112 (13.le85) Ind Stock Exchange of UKEApp of IrLd 7%% May Deb Sik 90/95 - 223 (11.le86) JF Pacific Warrant Co SACrd \$2 (87) - 236% 7 (11.le86) Mng Deb Set 90/95 - 253 (11.1695)

JF Pacific Warrent Co SAOnd \$2 (8r) - 236%

7 (11.1685)

Koree-Europe Pund Lidits \$0.10 - \$183%

(11.1685)

Sha(DR) to Br) \$0.10 - 200

Mercury Selected Trust Sits NY European

Fund(Reg) - 29/2069 0.7586 (13.1685)

Mezzanine Cepimiätno Tet 2007 PLC inc She

FundRagi = \$2.2000 0.7580 (13.600)
Mazzaniec Ceptimiding Tet 2001 PLCing Sha
£1 = 145
NASC Group PLCWarrante to sub for Shs =
851 (\$1.850)
Parthes Concords Trust Ln9.364% Deb Skt
1981 = 297% (13.685)
Practical Investment Co PLCOrd 10p = 93
(8.685)
Romackied J. Hidgs PLCWarrants to sub for
Ord = 70 2
State & Property Gold Fund Ln90.01 = \$18.08

urd - 70 2 leve & Proper Gold Fund Ln\$0.01 - \$18.08 (12.1e88) bitroder Porticilo Selection Fd LdPtg Pri \$0.01(king Kong Pund She) - 132.00 Ptg Pri \$0.01(Japanese Fund She) - 207.7 (13.1e89)

Pg Pt \$0.01(appanese Parts Stre) - 201.7
(13.less)
Second Market Investment Co PLC25/5 Cre
Une Ln Str. 1994 - 2965/5
Smith New Court PLCWarrants to sub for
Oct - 50 (12.les8)
Thorston Pacific Investment Pand SA£1 601 (11.les8)
Warrants to sub for she - 145
Transcordingmal Services Group NV
- 60 (13.las8)
Pt Str. - 120 (13.las8)

Insurance

Alexander & Alexander Services IncShe of Class C Cam, Six S1 - 29 (8Ja88) General Acc Finasi Life Asso Coop PLC5%% Cum Pri S1 - 50 (1SJa88) 7%% Lins Lin Six 87/82 - 290 (1SJa88) 7%% Lins Lin Six 82/87 - 222/9 Carefilm Lin Six 82/87 - 222/9 Guerdian Royal Exchange AssurancePLC7% Uns Ln Six 86/81 - 288 6 %

Investment Trusts

NO. of bargains included 480
Alliance Trust PLC4" Pri Stit (Cutri) = 238
(Sub8t)
Australia investment Trust PLCWarrants to
sub for Occ = 28 (Sub8t)
A Warrants to sub for Occ = 17
Bellie Gittord Japan Trust PLCWarrants to
sub for Occ = 295 å (Sub8t)
Ballie Gifford Shin Nippon PLCWarrants to
sub for Occ = 235 å (Sub8t)
Ballie Gifford Shin Nippon PLCWarrants to
sub for Occ = 235 å (Sub8t)
British Assets Trust PLC" A" 5% Pri Sub(Cum)
= 248 British Empire Sec & General Trust 10%%

- 289
British Empire Sec & General Trust 10%%
Deb Sik 2011 - 294
Capital Genering Trust PLCOrd 25p - 190
(81a89)
Denset Investment Trust PLCWis to
Subscribe for 1 Inc & 1 Cap - 44t (81a89)
Delta Investment Co LdOrd 581 - 200
(11.le68)
EFM Dragon Trust PLCWarrants to Sub for
Ord - 5 (12.la68)
EFM Dragon Trust PLCWarrants to Sub for
Ord - 5 (12.la68)
Six 1995 - 244 × 54 (12.la68)
11% Deb Six 2014 - 2104 %
F.& C. Barotrust PLC5%% Cov Line Ln 8tk.
1996 - 2120 (13.la68)
F.& C. Pacific Investment Trust PLCWarrants
to sub for Ord - 30
Prit Seculph Awarloan Trust PLCWarrants
for Ord - 20 (13.la68)
GT Versune Investment Co PLCOrd 50p
(Without Warrants) - 78%
Warrants to sub for Ord - 16 (13.la68)
German Securities in Trust PLCOrd 51 - 88

First Spanish by Trust PLCWerrants to sub for Crd - 20 (13,188)
GT Venture Investment Co PLCOrd SUp (Without Warrants) - 78%.
Werrants to sub for Ord - 18 (13,188)
German Securities by Trust PLCOrd 51 - 88 Certain Smaller Cord by The The PLCWerrants to sub for Ord - 50 Globe Investment Trust PLC18% Deb Six 2016 - 282 % 115% Cert Uns Ln Six 9095 - 2309 Govet Strategio by Trust PLC97% Deb Six 2017 - 289% (13,188)
Govet Strategio by Trust PLC97% Deb Six 2017 - 289% (13,188)
Govet Strategio by Trust PLC97% Deb Six 2017 - 289% (13,188)
Trivesting in Successification PLCWerrants to sub for Ord - 230 (8,168)
Trivesting in Successification PLCWerrants to sub for Ord - 31 (13,188)
London & St Lawronce Investment PLCOrd 50 - 82% 4
Minerals ClesShes She Fond Inc\$0.10 - \$12,81 (8,1889)
New Daried Off Trust PLCWerrants to sub for Ord - 6 (12,1889)
New Daried Off Trust PLCWerrants to sub for Ord - 75 Northern Securities Trust PLC7%% Caw Pri Six - 251 (8,1889)
New Tokyo Investment Trust PLC7%% Caw Uns Ln Six 9596 - 2200 (13,1889)
Repair Control Trust PLC9% Cam Pri Six - 251 (8,1889)
Gentles Investment Trust PLC7%% Caw Uns Ln Six 9596 - 2200 (13,1889)
Rights and Issues by Trust PLC9% Deb Six 2020 - 2100 (12,1889)
Scottish Investment Trust PLC9%% Deb Six 2020 - 250% (8,1889)
12% Deb Six 2012 - 2106%
Socitish Investment Trust PLC9%% Deb Six 2020 - 250 (13,1889)
Trust Plasting Trust PLC9%% Deb Six 2021 - 255 (13,1889)
Trust Plasting Trust PLC9%% Deb Six 2021 - 256 (13,1889)
Trust Pri Six - 245
Shires Investment Put PLC 12576% Deb Six 2021 - 257 (13,1889)
Trust Plasting Trust PLC1257% Deb Six 2021 - 2527 (13,1889)
Trust Plasting Trust PLC1257% Deb Six 2021 - 2527 (13,1889)
Trust Pri Six - 246 (12,1889)
Trust Pri Six - 246 (12,1889

Unit Trusts No. of bargains included 14 No. of bergains included 14

M.E. G. American Smaller Co's Funding Upits

- 938 (RJan8)

Accum Units - 35%

M.E. G.Sind & Gameral FundAccum Units 65% (13.168)

M.E. G. International Income Funding Units 58.4 (13.168)

M.E. G. Japan Smaller Companies Funding
Units - 98.8 (RJa86)

Mines - Miscellaneous

Milnes — Miscellaneous
No. of bargains included254
Anglo United PLCCriv Flad Prf 10p = 369
Blacki Tin Co PLC10p = 75
Botawara RST LnPu2 = 35 40 (12.4889)
De Buets Consolicated Mines Lefbit
RD.18(84) (Cpn.80) = \$11.1 11% (13.488)
Minangura Copper Mines Leford Six \$21 = 18 (1.1488)
RTZ Corporation PLC8W% Lins Ln 84x 85/80 = 291% (8.1488)
Wicophy's Consolicated PLC8tx 50p = 20.55 (13.488)
Pio 1p = 20.45 (13.488) Mines - South African

No. of bergains indused 35
Coronation Syndicate LtiR0.25 - 48 (13.tales)
General Mining Union Corporation 8.5% Ver
Costo Cave Cum Pri R0.40 - 25% (13.tales)
Lebover Platinum Mines LnOrd R0.01 - 45
(13.tales) Oil No. of bargains included 1920

Aran Energy PLCOrd MS0.20 — MS0.73 0.74 p
84 4 % 5 5
Atlantis international LdCom Sha of MPV —
67 (11,1659)
80M Heiga PLCOrd 2%p = 7 % % g
8% Criv 2nd Mig Dab Six 1969 = 2300 9% Cam 2nd Pri St = 78 (11,160%)
Burmah Of PLC6% Carn 1st Pri Sts £1 = 58
(8,1688)
8% Carn 2nd Pri Sts £1 = 54
7%% Carn Rad Pri Sts £1 = 57 (12,160%)
8% Carn Pri Sts £1 = 74 (12,160%)
6% Carn Pri Sts £1 = 74 (12,160%)
9% Carlor Graup Pri Cord Sts £50 = 481% 5 90 8
Dorne Petroleum LnCarn Sts of NPV = \$C19.96
ELF UK PLC12%% Une Ln Sts 1991(Fag) = \$C10.96
ELF UK PLC12%% Une Ln Sts 1991(Fag) = \$C10.86 kBPV = 126 (9,160%)
Hobit CornSite of Corn Sts 1991(Fag) = 520.57101 (8,160%)
Stell TransportAttrating/Co PLCOrd Sts (8r) 256 (570 178) = 210.35 (12,160%)
Total-Compagnie Prancipies Des Petroleum 35 FRSO = 234.791252 FR352.8937

British Petroleum Co PLCOrd 250 (1200 Pd)

(Reg) = 71 % 22 % % 3344 ADR (121) (Pay Pd) = £8.58 (13.556) Warrants to purchase ADS = \$8.76

Property No. of bargains included 508 Aside Property Hidgs: PLC10 5/18% 1st Mig Deb Six 2011 - 291% % % Attentic Metropolitan (UK) PLC12% Cnv Une Ln Six 91/97 - 2100 (13.le88) Bradionf Property Trust PLC10%% Com Prf 21 - 137

E1 - 157

Britannia Group PLCOrd 5p - 120 2

Britannia Strain PLC9% 1st Mig Deb Six 8297 - 295 1124889

9.50% 198 Mig Deb Six 2026 - \$95% Capital & Counties PLC5% 5 Cmy Pri 51 - 988

Cacital & Counties PLC5%% Crw Prf £1 ~ 949
9%% 1st Mtg Deb Sst 2027 ~ 259% %
9%% Use Lin Sct 91/36 ~ 256 (12.la85)
Cartrovincial Estates PLC = 256 (12.la85)
Cartrovincial Estates PLC5%% Use Lin Six 82/83 ~ 251% 2
Charthood Alliancia Hidgs Ld7%% Use Lin Six 50p ~ 31% 2
Charshood Alliancia Hidgs Ld7%% Use Lin Six 50p ~ 31% 2
Chasterial Properties PLC5.25%(Net) Crw Cum Prf £1 ~ 91 %
Cthy Site Estates PLC10% Crw Cum Red Prf ; 20p ~ 140 (13.la85)
Darte Estates PLC10% 1st Atig Deb Six 2012 ~ 251% (12.la85)
Estates & General Investments PLC4.9%
Cum Prf 50p ~ 30 (13.la85)
Estates Property Investment Co PLC77%%
Uns. Lin Six 86/92 ~ 253 (8.la85)
Great Portland Estates PLC9.5% 1st Mtg
Deb Six 2016 ~ 283% % (12.la85)
Great Portland Estates PLC9.5% 1st Mtg
Deb Six 2016 ~ 283% % (12.la85)
Great Property Co PLC0rd ir20.25 ~ 121.08
(13.la85)
Great Property Socurition Ld6%% 1st Mtg Deb

(13.1888)
Greenhavet Securities Ld8% 1st Mig Deb Six 8388 - 297.448 8.073048 Greycost Group PLC12.85% ties Ln 84k 9092 - 2103% (12.1888) Engmarson Prop Inv&Dev Corp PLCOrd 25p - 530 30 10%% 1st Mtg Deb Sik 98/2003 - 297%

- 550 50
- 10% % 1st Mtg Deb Sik 98/2003 - 297%
(12.1688)
Melicel Bar PLC5.25% Cmr Cum Red Prf
2012 E1 - 70 2 %
Land Securities PLC5% (st Mtg Deb Sik
96/2001 - 280
16% 1st Mtg Deb Sik 2025 - 283%
8 % Ums Ln Sik 9297 - 282 (13.168)
8 % Ums Ln Sik 9297 - 282 (13.168)
8 % Ums Ln Sik 9297 - 286% 6 90 %
London&Prov Shop Centres(Hogg)PLC 10%
1st Mtg Deb Sik 2026 - 288% %
London Shop PLC3.85% Cum Prf E1 - 45%
(12.1688)
6 % Ums Ln Sik 37/97 - 285 (8.1689)
16% 1st Mtg Deb Sik 2026 - 280
MEPC PLC5% 1st Mtg Deb Sik 97/2002 295 (12.1689)
10% 1st Mtg Deb Sik 2017 - 2108%
8 % Ums Ln Sik 2000/05 - 275 (13.1688)
6 % Criv Ums Ln Sik 20000 - 2139
(12.1688)

8%% Criv Unis Lin Sek 95/2000 - 2139
(1/2488)

Merika International Properties Ld'Ord 25p - 95 (13.488)

Merika International Properties Ld'Ord 25p - 95 (13.488)

Metropolitan Hily Surplus Lands CoLd 6%%
1st Mitg Deb Sik 8931 - 287 5 (11.488)

Peachey Property Corp PLC9.5% 1st Mitg
Deb Sik 2015 - 290% (1/2488)

Peol Hidgs PLC5.25% (Ned Cnv Cum
Mon-Vig Prf 21 - 111 6

9%% 1st Mitg Deb Sik 2011 - 289%Ф

Property Security Int Trust PLC5% Cum Prf
21 - 105% 5% (1/3488)

Regis Property Hidgs PLC5% Gid Uns Lin
Sik 1957 - 295 (1/2488)

Reliable Properties PLC5% - 750 (1/2488)

Resiable Property Trust PLC5% Criv Criv
Prf 21 - 100 (1/2488)

Sheafbank Property Trust PLC5% Criv Criv
Prf 21 - 100 (1/2488)

Town Centre Securities PLC5% Criv Uns Lin
Six 98/2000 - 2157

Wessa City of London Properties PLCOrd
25p - 165Ф 709

Plantations

Anglo-Enstern Plantations PLC Warrants to sub for Ord - 13 (12Ja88) 12Ja88) on PLCDId 25p - 82 hillington Corporation PLCDId (11.Ja88) 9%% Curn Red Prf £1 = 103 9% Cam Red Pd 27 = 103 9% Cru Vrs Ln Sk 1999 = £105 (12Je88) , Duntop Plantations Ld8% Cam Pd £1 = 56 (11Je88) Inch Kerneth Kajang Rubber PLC 10p = £2% Narborough Plantations PLCOrd 10p = 35 (13Je89) Padeng Sereing Hidge PLC10p = 80

Railways No. of bargains included3 CSX Corporation She of Com Site \$1 - \$28% Canadian Pacific Lid Ord (as Lidn)(interch srous) of NITY - 53.1 Plabpard & Roseters Riya & Hors Co-31% Gid Pri Sit - 233% % (Au68) Casat Northern Iron Ore Properties Trustes Certs Nipv - \$25% (8Je88)

Shipping No. of bergains included 139
Graig Shipping PLC"A" Nan.V Ord E1 = 640
(12.668) (12J888)
Penkasukar & Oriental Steam New Co5% Cum Pid Sek – £50 (13J888)
Tumbull Scott Hokkings PLCNon V."A"Orq £1 – 380©

Utilities No. of bergains included5 Bristol Chennel Ship Repairers PLCOrd 10p Bristol Chemnel Ship Repairors PLCOrd 10p - 14%
E.B.E.S. Nov(Er) (Cpn 43) - 273.682221
BF567 (3Ja86) Fallousey CoPrf Units - 283 5 (12Ja66)
GTE Corporation Com 8th \$8.10 - \$33.673679 34%0
Intercom Belge NPV(Br) (Cpn 57) - BF423
Marsey Docins & Herbour Co Combined Units - 2800
3 %% Red Deb Stk 7869 - 279 (12Ja83)
6 %% Red Deb Stk 7869 - 279 (13Ja83)
6 %% Red Deb Stk 9497 - 276 (11Ja69)
US WEST, Inc Shis of Com Stk of NPV - \$45% (12Ja83)

Water Works No. of bargains included?

Bristol Waterworks Co — £130
3.5% (Fmly 5% Cons Pri Six — £46 å
(12 Le86)
Cambridge Water Co-10% Rad Deb Six 98/98
— £94 \$ (12 Le86)
Coine Valley Water Co-4.25% (Fmly
5% Flad Pri Six 52/93 — £78
East Surrey Water Co-4.2% (Fmly 6%) Flad Pri
Six 85/90 — 250 % (12 Le86)
5.6% (Fmly 5%) Flad Pri Six 52/94 — £88
(5,1858)
7% Red Deb Six 90/92 — £85 (12 Le68)
East Worcestershire Waterworks Co
— £40 (12 Le68)

(6,1859)
7% Red Deb Six 80/92 - 225 (12,1859)
East Worcestershire Waterworks Co
- 240 (12,1859)
East Worcestershire Waterworks Co
- 240 (12,1859)
East Worcestershire Waterworks Co
- 240 (12,1859)
19% Deb Six 92/94 - 298 (11,1865)
Hardspools Water Co.3.5%(Fmly 5%)Ast Ord
Six - 2130 (11,1869)
Mid-Strain Co.3.5%(Fmly 5%)Ast Ord
Six - 250 (12,1869)
Mid-Strain Water Co.3.5%(Fmly 5%)Ast Ord
Six - 250 (13,1869)
3.25%(Fmly 4%)April Pri Six - 248
(12,1869)
Mid-Strain Water Co.4.9%(Fmly 7%)Ast Add Ord Six - 2290 (13,1869)
3.25%(Fmly 4%)April Pri Six - 248
(12,1869)
Mid-Strain & Galashead Water Co 16% Red
Deb Six 92/94 - 294 (8,1869)
South Stationistine Waterworks Co 7%/
Red Deb Six 93/94 - 294 (8,1869)
Sunderland & South Shields Water Co 7%
Red Deb Six 93/98 - 250 (12,1869)
Sunderland & South Shields Water Co 7%
Red Deb Six 90/98 - 257 /%
West Hampshire Water Co 3,15%(Fmly
4%%)Pri C10 - 440 (12,1869)
3.85%(Fmly 5%%)Pri E10 - 540 (12,1869)

USM Appendix Avecco PLCCum Ptg Crw Red Prf 1997 1p = 75 80

Avesco PLCCum Ptg Crw Red Pri 1997 1p = 75 80
Chygrove PLC7.75% Cum Crw Red Pri 21 = 107 (13.1688)
Continental Microwava (Plidga) PLC6.0% Crw
Cum Red Pri 2005 21 = 110 (12.1686)
Corporate Eswates Properties PLCWarrants
to sub for Ord = 35 (8.1688)
Cremptom PLCOrd 50p = 915 (8.1688)
Electron House PLC6.5% Crw Cum Red Pri 21 = 80 (11.1689)
Gibbon Lyons Group PLC7% Cum Crw Red
Pri 21 = 115
Gibbs Mew PLCOrd 25p = 203 (12.1688)
Goodhead Print Group PLC7% Cw Cum
Red Pri 21 = 110 20
Hetfield Estates PLCOrd 10p = 110
Homby Group PLCOrd 10p = 30
Movett Group PLCOrd 10p = 58 & (13.1689)
Pethinders Group PLCOrd 5p = 38 (13.1689)
Rendeworth Trust PLC7% Cwm Crw Red Pri 21 = 87 7
Rivin PLC6.125% (Net) Crw Cum Red Pri 21 = 27 7 21 - 87 7 Rivin PLC5.125% (Net) Criv Cum Red Pri 21 - 72 % 3 4

Ross Consumer Bactronics PLCOrd 10p – 165 (12.365) Sharp & Law PLCB.5% Cum Red Cov Pri 10p (ntl Pd-3/265) – 13 5 5 25 Shorto Group Holdings PLCOrd 25p – 180 (12.365) Stoppy International III Color 10p – 70

(12Je88)
Signest International PLCOrd 10p - 70
(12Je88)
Splash Products PLCOrd 10p - 90 90
(13Je88)
Treven Holdings PLCOrd 10p - 61 (12Je88)
URS International Incisin of Com Six 90.01
- 50 2 % 3
Williams Systems PLCFtwel Ratis Criv Cum
Rad Pri 2p - 118 (13Je88)
Yelverion Investments PLC6% Criv Urs Lin
Six 1897 - 280

The Third Market Appendix Medirace PLCWarrants to sub for Ord = 48 (12,065) Searryard Studios PLCOrd 1p - 8% % % % % 4

RULE 535 (4) (a)
Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Acore Securities 2620,4622.4,5 ASD 503
Alliame Exploration ASD 109
America Bearrick Revolutes Corp Com NPV 520,4621.66 CSE-8036276
Ames Department Stores \$111,46 (1271)
Amesington Retterdom Bank FL56.2

Artes Ospartiment Stores \$111.00 (12/1)
Amptendant Stores \$111.00 (12/1)
Amptendant Stores \$111.00 (12/1)
Amptendant Stores Start \$1.56.2
Amptendant Stores \$1.10 (12/1)
Aust. Olf & Gas A\$0.652
Bewerly Enterprises \$74.00
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Night Nawk Resources 30 (8/1)
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RULE 535 (2)
Applications granted for specific bargains in securities not listed on any exchange

Advants & Co. 215.25,50 (11/1)
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Ann Street Brewery 700
Cellech 4 IB (13/1)
Channel Island Communications 450 (11/1)
Dart Valley Light Rhey 200,10 (13/1)
Dolphin Inil. 27 (13/1)
Euchem 70
Fightspares 751 (13/1)
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Standard Heame 475,85 (21/1)
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Uslos Jack 011 (13/1) (12/1)
Wathworth 91,95 (2m. Prf. (12/1)
Wathworth 91,95 (2m. Prf. (12/1)
Wathworth 91,95 (2m. Prf. (12/1)
Wolverkampton Racecourse 260 (8/1)
Wystsy Props 130 (8/1)
Yates Brothers Wice Lodges 140 (8/2)

FINANCIAL TIMES CONFERENCES

CIVIL AVIATION IN THE **PACIFIC BASIN:**

THE PATTERN OF THE FUTURE

Singapore, 25 & 26 January, 1988 The Pacific Basin, civil aviation's

fastest growing air transport arena, is the subject of the Financial Times fifth Asian Aerospace conference on 25 & 26 January, 1988. The rapid growth in the region is already imposing, and will continue to impose, strains upon the airlines, airports and the aviation infrastructure overall. It will generate a massive demand for new aircraft and the money with which to buy them for many years to come. The aim of this '88 conference is to define these problems and indicate possible developments and solutions.

A most distinguished panel of speakers from the airlines, the international banking and financial community and the major aerospace manufacturers will lead the debate.

The Conference has been timed to precede the Asian Aerospace '88 Exhibition to be held at Singapore Changi Airport, 27-31 January, 1988.

CIVIL	AVIATION	IN THE	PACIFIC	BASIN

 To: Financial Times Conference Organisation 2nd Floor, 126 Jernyn Street, London SW1Y 4UJ Tel: 01-925 2323 Tix: 27347 FTCONF G Fax: 01-925 212 Please send me further details. 			
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REGIONAL DEVELOPMENT

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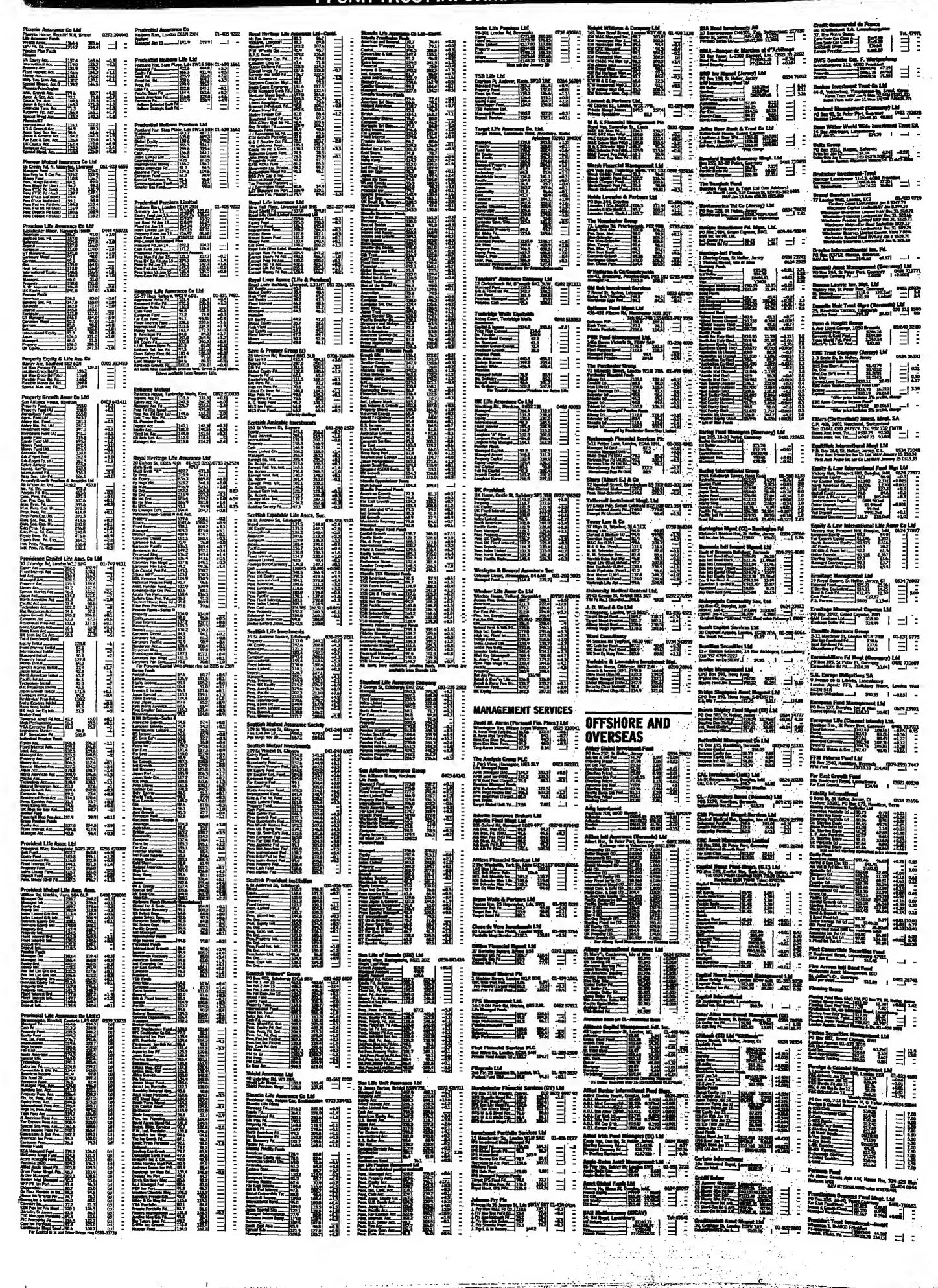
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FINANCIALTIMES

Saturday January 16 1988

EIP TEAM

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W German nuclear inquiry extended abroad

By David Marsh in Bonn

WEST GERMAN government officials and criminal investigators in several European coun-tries yesterday joined an inquiry into possible breaches of the nuclear Non-Proliferation Treaty.
The move followed allegs-

The move followed allegstions that a German nuclear
transport company, Transnuklear, may have been involved
in illegal shipments of nuclear
material to Pakistan and Libya.
West German politicians from
both right and left stepped up
calls for more controls over the atomic Industry. A leading West German nuclear industry

west German nuclear industry official said the allegations, made public on Thursday, had done serious damage to public confidence in the industry.

Mr Thomas Roser, secretary-general of the Bonnbased Atom Forum, a group promoting nuclear power which links ntilities, nuclear plant suppliers and government authorities, said: "All thia is worse than Chernobyl."

He added: "It's not a technical in the human factor.

mishap, it's the human factor. It is clear that our credibility is

not at stake – it's gone."

Mr Klaus Toepfer, the Bonn
Environment Minister who has responsibility for nuclear safety, told the Bundestag (federal assembly) yesterday that there was no "concrete evidence" for diversions abroad of potential bomb-making material

However, state prosecutors as well as government authorities were investigating suspicions that nuclear material had been sent from the Belgian nuclear processing centre at Mol, near Antwerp, to Libya and Pakistan through the north German port of Luebeck, Mr Toepfer said.

The fresh allegations come on top of investigations into susplcions that Transnuklear organ-ised widespread bribery throughout the nuclear industry to win business. This involved contravention of safety rules on more than 2,000 drums of nuclear waste shipped between West Germany and the

Mol plant. The European Commission and the Swedish Government were yesterday looking into the allegations of illegal shipments involved interpol, the interna-

tional police organisation.

The director of the Mol plant said the centre had contracts with both Libya and Pakistan in "non-sensitive" areas but

denied any involvement with fissile material.

Transnuklear's parent company, Nukem, is involved in nuclear fuel technology at an atomic industry site at Hanau. It is 45 per cent owned by RWE. West Germany's biggest electricity supplier. Degussa, the Frankfurt-based chemicals

and precious metals company, owns another 35 per cent. Stemens, the giant electrical group which is the country's largest nuclear concern, said the affair involving Transnu-klear and Nukem had led to

"general loss of confidence in nuclear energy".

Nuclear officials spoke of concern that West Germany's planned commercial reprocess-ing plant at Wackersdorf near the Czech border would now face an even more difficult struggle to win political accep-

tance. Mr Lothar Spaeth, the conser-Mr Lotnar Spaeth, the conservative Prime Minister of the state of Baden Wuerttemberg, suggested possible nationalisation of the atomic transport sector to guarantee safety standards.

Scope for tax cuts increases

cellor, may have the option of keep some of that cash in combining a zero public borrow-ing requirement with tax cuts a deliberately conservative set of \$4bn to \$5bn in his March of revenue projections. Budget because of the strength

of government revenues.
The Chancellor said this week that the economy had been growing faster than the Treasury had thought in the sutumn when it last published forecasts for public borrowing and reve-

That is likely to result in higher-than-expected government revenues both in the current financial year and in the 1988-89 year beginning in

April.

The Treasury will not have a definite forecast of the scope in the Budget for tax cuts and reductions in borrowing until next month, when it will be able to gauge the level of corporation tax receipts. These payments are traditionally concentrated in January.

It is also thought that if the scope for tax cuts looks as high

in Britain's trade balance and to dampen inflationary pressures. It might also be politically imprudent to opt for masaive tax cuts at a time of public disquiet over the level of spending in areas such as the National Health Service.

Whitehall officials acknowledge that the evidence so far

Injunction over Nigerian debt

Young plans takeover changes

Secretary discretion to refer

However, Lord Young has stressed that this refers princi-pally to security and similar national interest issues, as

might apply with a defence eupplier, and that this discre-tion should be used only in

In particular, he.has said that Government or one of its agen-cies might not be the right body to judge questions of leveraged debt, which should be decided

Apart from the general sim-

Networks of personal computers linked to powerful mini-computers are expected soon to

dominate in office automation. The business computing industry and observers see in DEC and Apple, working together, a formidable challenger to IBM, the world's largest computer to the IBM for many activities. Apple has a growing presence in corporate accounts, where DEC has been winning orders.

This would have meant mergers on other public interest approval for the Elders IXL bid grounds.

MR NIGEL LAWSON, the Chan- as £5bn, the Treasury might cer, an economist at the securi-

This is because the tax sys-tem is indexed to prices rather than incomes - the so-called fiscal drag - which means that in the absence of tax cuts government revenues tend to grow faster than incomes.

keep some of that cash in reserve, perhaps by publishing a deliberately conservative set of revenue projections.

The Bank of England has already urged the Government to adopt a relatively cautious approach to tax cuts in order to limit any further deterioration in Britain's trade balance and to dampen inflationary pressures. It might also be politically imprudent to opt for masaive tax cuts at a time of public disquiet.

Terestry, perhaps by publishing Boston, which predicts that the PSBR will be "comfortably" in surplus this year.

The \$1bn figure was penciclled in as the target for 1988-89 and it is understood that the Treasury's private calculations showed this left room for tax cuts of about \$25bn.

The study shows that income for tax cuts of about \$25bn.

Since then, however, the buoyadded \$25bn to \$25bn

Mr Gavyn Davies, an economist at US securities house Goldman Sachs, is similarly optimistic. His calculations suggest that the Chancellor may have room to combine a fore-cast of a zero PSBR with £4bn to £6bn of tax cuts, although he might disguise part of the reve-nue windfall by "window-dress-ing" the arithmetic.

Even if Mr Lawson opts for a relatively prudent net reduction in taxes, the scale of income tax cuts may be significantly larger if he raises additional revenues elsewhere.

Barclays to sell retail

that a 50 per cent vote was that a 50 per cent vote was required for a formal default to be called, whereas this could be the vote overturned if it came the vote overturned if it came that a 50 per cent vote was required for a formal default to be called, whereas this could be done by only 25 per cent of dential Recoveries was unfounded.

The decision to sell Barclays and the concern expressed by Confidential Recoveries was unfounded.

The decision to sell Barclays the concern expressed by Confidential Recoveries was unfounded.

Which is that a 50 per cent vote was that been assessed. However, some argued that the concern expressed by Confidential Recoveries was unfounded.

The decision to sell Barclays the concern expressed by Confidential Recoveries was unfounded.

UK, confirms a shift in the bank's emphasis from consumer to corporate business, particularly in its international activities.

fornian banking market in ecent years.

and Apple, working together, a formidable challenger to IBM, the world's largest computer maker.

IBM dominates the market for corporate mainframes, but in the faster growing market for mid-range and office systems it has lost market ahare to DEC.

To the IBM for many activities. Apple has a growing presence in corporate accounts, where DEC has been winning orders. Mr John Sculley, Apple president, said: "The big winners will be large companies and universities who will have new opportunities for powerful, highly integrated multi-vendor." has lost market share to DEC. Its machines communicate easily with one another and seem better-suited to the modern business environment.

DEC has a significant weakness — it has no offering in the field of personal computers

ODEC has no offering in the field of personal computers are already using Apple Macin-field of personal computers are already using Apple While Barclays tried to develop retail businesses on both coasts, and at one time had aspirations to a nationwide

THE SAGA of Nigeria's commercial debt rescheduling took another twist yesterday when Confidential Recoveries, a group of Hong Kong creditors, obtained a court order preventing full details of Thursday's meeting voted 248 to 112 gainst the proposals, Mr Bill Park, a City lawyer, who chaired the meeting, told creditors had been asked to vote on a controversial scheme to reschedule repayment of \$3.2bn (£1.5bn) in overdue promissory notes over 22 years.

Mr John Krzywkowski, a partner in the law firm of Holman, Fenwick and Willan, which is representing Confidential Recoveries, said the temporary injunction until Tuesday was the first step in railying support for an attempt to have deterred creditors at Thursday's meeting from voting against the proposal, but this was only an indicative result. Thursday that the brave deterred creditors at Thursday's meeting from voting against the proposals, Mr Bill Park, a City lawyer, who chaired the meeting, told creditors on Thursday that the proposal of the Nigerian proposal but this was only an indicative result of the authorities in Lagos.

At a meeting on Thursday, representatives of about 13,000 trade creditors had been asked to vote on a controversial scheme to reschedule repayment of \$3.2bn (£1.5bn) in overdue promissory notes over 22 years.

Mr John Krzywkowski, a partner in the law firm of Holman, Fenwick and Willan, which is representing Confidential Recoveries, said the temporary injunction until Tuesday was the first step in railying support for an attempt to have deterred creditors at Thursday's meeting from voting against the proposals, Mr Bill Park, a City lawyer, who chaired the meeting, told the meeting, to the meeting, told the meeting, told the meeting, told the meeting, to the meeting, told the meeting, told the meeting, told th

BY PETER RIDDELL, POLITICAL EDITOR

TAKEOVER BIDS that involve referred to the MMC will be novel or highly leveraged financing methods may be permitted without full Monopolles and Mergers Commission scrutiny under the terms of the Government's revised mergers policy.

Barclays will continue doing corporate business in California from the San Francisco and Los Angeles offices of Barclays attaches particular importance to the innovation of moving from the present scrutiny which adds together the current combined marker shares of the Government's revised mergers policy.

which adds together the current combined market shares of the companies involved in a merger, to the new basis which will also take into account future behaviour.

Companies may be required to keep below a specified share of the market on the basis of a legally-binding agreement with penalties attached.

The white paper refers to the new powers of the Directornee we power which is in line with Barclays' plans to be a major provider of corporate banking services in the US and globally."

Nevertheless, the decision to be a major moved to a power with barclays which is in line with Barclays' plans to be a major provider of corporate banking services in the US and globally."

Nevertheless, the decision to be a major force and the well well as a major provider of corporate banking services in the US and globally."

Nevertheless, the decision to be a major provider of corporate banking services in the US and globally."

Nevertheless, the decision to be a major provider of corporate banking underlines the modest results achieved by Barclays' plans to be a major force and the usual plane which is in line with Barclays' plans to be a major provider of corporate banking services in the US and globally." in US retail banking. It also raises a question mark over the future of Barclays Bank of New York, the East Coast consumer eubsidiary which is roughly double the size of the California

business.

Barclays of California consists of 50 branches in the San Francisco, Los Angeles and Santa Barbara areas. It has total assets of \$1.3bn, deposits of \$1.1bn and employs about 1,100 people. Barclays of New York has 80 branches and assets of \$2.5bn.

Mr Kerslake said the bank had no plans to sell the retail

had no plans to sell the retail network in New York. Barclays is the latest in a series of British banks which have withdrawn from the Cali-

recent years.

However, National Westminster, the biggest UK clearing
bank, has been expanding successfully in the US consumer
banking business since its takeover of Bank of North America,
now renamed National Westminster Bank USA.

White Barelays tried to

DEC and Apple to link computers ple for DEC minicomputers and Apple Macintosh personal computers to work together as The Apple Macintosh, a revo-

by the markets.

between the world's largest minicomputer maker and the pioneer of personal computing yesterday upset the balance of power in the computer indus-

try.
Digital Equipment Corporation (DEC), which built the first
minicomputer 20 years ago, and
Apple Corporation, the peraonal computing pioneer,

A FORMIDABLE new alliance

ment's revised mergers policy.

for Allied-Lyons which was referred to the MMC two years

ago.
Following publication of a white paper on Tuesday, Lord Young, the Trade and Industry Secretary, has indicated that

the new rules for referral will be tightly defined.

The basic policy reaffirms the so-called Tebbit rules of July

1984 (named after the former DTI Secretary), under which the main, though not exclusive,

consideration in determining whether mergers should be

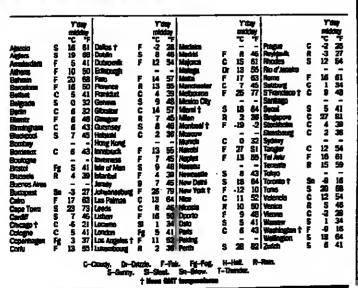
announced a joint development effort designed to make it sim-

CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISE	3			Lloyds Bank	204	+	16
Trees. 834% 1997	5936	+	¥	LASMO	307	+	10
Abbey Life	247	+	13	Pilkington	247	٠	8
BAT Inds.	452	÷	14	Rank Org.	599 325	+	15
BOC Group	416	÷	30	K.H.M	325	+	12 38
Beecham	469	i	20	Reuters B	538	+	38
Cable & Wireless	372	Ι	17	Ruberold	140	+	12
Calor Group		Τ.	29	Shell Transport	24012	+	- 4
		•		Tarmac	233	+	14
Coats Viyella	263	+	18	Tate & Lyle	787	+	17
Fairline Boats	370	+	40	Trusthouse Forte	225	+	10
Farnel Elec	1 6 1	+	9				
Hogg Robinson & GM	151	+	12	FALL	S		
ICI	\$11%		₩,	Willis Faber	202	_	16

WORLDWIDE WEATHER



Continued from Page 1

US trade deficit

Some Wall Street economists predicted that they could signal the beginning of a sustained improvement in the nominal deficit, reflecting the improvement of the suppose which has been

In London the view was different. Economists said that the which had feared a much larger average of the October and November trade figures was the release of the trade figures \$15.4bn, which suggested there with relief bordering on emphohad been little or no improvenant in the trade picture.

Although the FT Ordinary

months of good trade figures that until buying interest was before we get carried away. more widely spread the market Financial markets will need to remained vulnerable to one-off see figures of \$12bn a month consistently."

The white paper refers to the new powers of the Director-General of Fair Trading which

allow him to propose binding undertakings about post-merger behaviour designed to prevent

anti-competitive effects.

Man in the News, Page 7

lutionary personal computer featuring screen pictures and a "mouse" as the control system, is the only real alternative to the IBM standard. There is increasing evidence that office workers prefer the Macintosh

ment in volume which has been clear for the past six to nine months.

Mr David Jones, economist at Aubrey Langston & Co, said:
"It's hard to imagine bow we could have gotten a better number. The drop was much more than expected."

Consistently."

He pointed to the deterioration in US invisible trade, due to the rising costs associated with servicing the US's massive and bonds rallied sharply. The with servicing the US's massive and bonds rallied sharply. The with servicing the US's massive and bonds rallied sharply. The with servicing the US economic data.

In New York, US equities and bonds rallied sharply. The with servicing the US's massive and bonds rallied sharply. The consistently."

In New York, US equities and bonds rallied sharply. The worst fears about yesterday's figures had not been realised rather than a positive longer-term appraisal.

ment in the trade picture.

Although the FT Ordinary
Mr George Magnus, an economist at Warburg Securities, to close at 1,436.7, Mr Richard
said: "We will need many more Jeffrey, of Hoare Govett, said

In London, the dollar closed at DM1.879 compared with DM1.637 on Thursday and at Y130.4 compared with Y126.7. The pound finished at \$1.777 compared with \$1.819 on Thursday and at DM2.9825 compared with DM2.9775. The Bank of England's trade-weighted sterling index closed 0.5 points lower at 74.7.

THE LEX COLUMN

A semi-sensible celebration

There was little objectivity in the market's gleeful response to yesterday's "good" US trade figures. Sheer relief rather than cool analysis was behind the dollar's three per cent jump and the 50 point rise in stock markets in London and New York. A calmer appraisal of the monthly series is bound to crush some of the enthusiasm, although it may not eliminate it

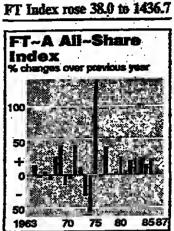
although it may not eliminate it altogether.

It will, no doubt, be argued that the large rise in US exports in November was genuinely encouraging, and that with the December figure likely to be flattered by seasonal influences, the worst is probably over. Yet before calling the turn for the trade deficit – and hence for the dollar – the marhence for the dollar - the mar-ket should reflect bow silly those who extrapolated from last month's dreadful trade figures look now. The two months taken together show an average deficit of \$15bn, which is not encouraging by any standards.
At the very least, November's
deficit will reinforce the floor
under the dollar which was
established by well-judged Central Bank intervention last week. While a more convincing

upward move may require evi-dence that the US Government dence that the US Government is taking its fiscal medicine, these figures may paradoxically deter it from acting by lessening the immediate need for a rise in the discount rate. The corollary is that the chance of the rise in UK base rates, which the money and gilt markets have been expecting all week, bas been increased. However, with the Government's exchange rate policy directed more at the D-Mark than the dollar, it would probably take a fall to 2.95 to trigger such a fall to 2.95 to trigger such a

The London stock market's The London stock market's heady reaction to the trade figures displays bow expansive investors are feeling at the moment. Yesterday the market tonched its best level since October, and will start next week poised to push through 1,800 on the FTSE 100. This week it tried and failed, courtest of Wall Street; bext week, with the dollar and Wall Street on firmer ground, it might inst on firmer ground, it might just

For a group which has spent almost all of the £1.3bn it raised from its shareholders on a number of poorly timed acquisitions, TSB Group's refusal to disclose the size of the fees it has paid to its advis-ers reflects a rather cavalier attitude to shareholders. Taken



takeover of Hill Samuel after the stock market crash bad greatly reduced the value of its investment, this smacks of a group which is more interested in spending money than boosting shareholder returns. It could perhaps also explain why the shares have performed so miserably since the flotation

Pre-tax profits in TSB's latest financial year rose at an annualised 40 per cent, but the performance at the attributable level is far more modest and a level is far more modest and a 10 per cent rise in the dividend is not generous. The group's balance sheet has grown considerably faster than profits, but the good news is that the group seems to be winning market share in its core retail banking operations. The resolution of the management succession question and the successful integration of Hill Samuel will determine whether the TSB remains a rather dull investremains a rather dull invest-ment or becomes a high flying financial services company.

Martell

When a company is at pains to stress the strategic importance of an acquisition, one can usually take it that it is also expensive. Martell is certainly that. Given that Grand Metropolitan's final offer for the family-run cognac bouse already represents an exit mul-tiple of 28 times current earnthe company thinks it-prudent to stop there.

The commercial logic of a GrandMet-Martell link remains compelling, both in terms of products and geography. Martell's strengths - cognac and the Far East, where it has an extensive distribution network - are

tion will represent no dilution of earnings looks optimistic -but not by a lot. For Seagram, with its weaker international with its weaker international brand portfolio, the logic is less convincing. But there is, in any case, little reason to believe that logic will prevail over dynastic concerns. The Marteil family has made it clear it wants to do a deal with the Bronfmans of Seagram, and the Canadians could even get away without raising their latest offer (1) per cent below yesteroffer (11 per cent below yester-day's from GrandMet). The end is nigh, and the betting is on a family affair.

Seasonal factors

The behaviour of the world's stock markets over the last few mouths will have convinced months will have convinced many investors that no one ever really knows which way the market is heading. It could be that the only investment prediction to be made with any degree of certainty these days is that chares will move up, down and sideways, and not necessarily in that order. However, there are those who ever, there are those who would quarrel strongly with this defeatist attitude

In the US, computer correla-tions are drawn between the stock market's performance and everything from the level of ladies' hemlines to presidential election years and the win-ners of the Super Bowl. There is rarely any obvious reason why certain events can be con-nected with subsequent move-ments in share prices, but there are plenty of investors, in the US at least, who rely more on

these cosmic messages than on underlying fundamentals.

The January barometer is a case in point. If the Dow ends the first month of the year higher than it started, then Wall Street will finish the year higher. This has proved covered. wan Street win finish the year higher. This has proved correct in 32 of the last 37 years, but in the UK the connection is far less obvious. It correctly sig-nalled the sharp declines in 1973 and 1974, but in 1978 and 19g1 the market fell in the first month and rose over the year. However, a recently published book has found evidence of long-term seasonal patterns in the UK, with March and April tending to mark the peak of business and stock market confidence, while October/November are often the low points. For those who like to observe the old stock market traditions, it may still make sense to sell in May and go away provided you remember to come back in November.

Seasonal Patterns in Business

attitude to shareholders. Taken both growth markets. Grandalong with the decision not to Met'e claim that, by the end of and Everyday Life; W.T.Thorrenegotiate the terms of its the next full year, the acquisineycroft; Gower Press.

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WEEKENDET

Saturday 16/Sunday 17 January 1988

· MARKETS · FINANCE & THE FAMILY · PROPERTY · TRAVEL · MOTORING · DIVERSIONS · HOW TO SPEND IT · BOOKS · ARTS · TV ·

the next election again. Then there would really be a growth of a Liberal Party and a split. The words were Hugh Gaitskell's, the listener Richard Crossman, who recorded them in his diary. The date was October 19, 1959.

UCH has been made of the parallel between the Labour Party's position then and defeat; the realisation that social trends defeat the realisation that social trends were undermining its electoral base; the fear that, historically, Labour had peaked and might never form a government again. There are similarities, too, in the party's internal divisions: the tension between words designed to reassure the faithful and actions aimed at attracting the broad mass of electors; the crucial role of defence policy as a test of ideological purity; the emotional and practical difficulties of adjusting to a new electoral landscape.

landscape.
Gaitakell's prescient analysis came out even more strongly at the 1959 post-mortem Blackpool conference: The changing character of Labour, full employment, character of Labour, full employment, new housing, the new way of living based on the telly, the fridge, the car and the glossy magazines — all these have had their effect on our political strength. He was even more emphatic on the Liberal threat: "They will probably go for the young voters and the social groups of whom I have just been speaking. If they were ever to look like becoming e serious political force again, the process might easily gain momentum. We must not allow it to start."

His answer to the challenge of defeat was twofold to modernise the party's image and to hold the line on defence. On policy, he was not an extreme revisionist.

policy, he was not an extreme revisionist. Unlike Douglas Jay, he did not want to break the trade union link, drop the party's name or renounce all public own-ership. He did want to write a New Testament for e new age and to drop from the party's constitution Clause IV, which committed it to "the common ownership of the means of production, distribution and exchange.

His supporters and opponents alike were eware that this was not primarily a quarrel ebout what a Labour government would do. (Gaitskell himself favoured the nationalisation of fron and steel, road haulage and urban building land; the Left, did not realistically think it could nationdid not realistically think it could nationalise everything, still less those figures of the party centre, like James Callaghan, John Strachey or George Brown, who wanted to let sleeping dogs lie.) It was, as policy disputes so often are, a contest for power, for the right to determine what the party should mean to its members, its

voters and the weverers.

If the Clause IV battle was fought on grounds of Gaitskell's choosing that on unilateral nuclear disarmament was not. But that was the making of him. Here was a quarrel that was both symbolic and real: Like the Clause IV dispute, it was about the kind of party Labour should be. It was also about what it would do if elected to office; indeed, whether it was

fit to be elected. He is remembered above all for the "fight and fight and fight again" speech at Scarborough is 1960; yet this was not only about personal commitment or political morality, it was also about the balance of power in a party. It was about the rights and duties of members of parlia-

The death 25 years ago this week of Labour Party leader **Hugh Gaitskell** left an unfilled vacuum in British politics. **Peter Pulzer** explains

ment, about the principles of Edmund Burke, adapted to the age of universal suffrage. "Your representative owes you, not his industry only, but his judgment," Burke told the electors of Bristol, Labour MPs, Gaitskell claimed, could not be expected to change their opinions on the hasis of e card vote, its outcome determined before the debate by delegates at least some of whom had e dubious loyalty, not only to the Labour Party but to the institutions of liberal democracy. "I do not believe," he said, "that members of parliament are prepared to act as timeparliament are prepared to act as time-servers. People of the so-called Right and the so-called Centre have every justifica-

the so-called Centre have every justifica-tion for having a conscience, as well as people of the so-called Left."
Gaitskell lost the Clause IV fight against what Hugh Dalton called 'this idiot loy-alty to an undigested phrase." He won the fight on defence at Blackpool the follow-ing year by retaining his hold on the constituency parties and converting enough trade unions.

One other change had occurred in the

enough trade unions.

One other change had occurred in the intervening year: the Gaitskellites had organised, in the shape of the Campaignfor Democratic Socialism, with William Rodgers (later one of the SDP Gang of Four) as its secretary. Its role was twofold—not only to hold the line in the constituency parties and reverse the tide constituency parties and reverse the tide in the unions but also to give moral sustenance to individual party members who felt increasingly isolated and alien-ated by the metorical and organisational dominance of the Left

ated by the rhetorical and organisational dominance of the Left.

Given the ease with, which Gaitskell won at Blackpool, the second was probably the more important.— an impression strengthened by the letters that the CDS and Gaitskell himself, after his Scarborough speech, received. The CDS, however, quickly acquired a life of its own it was Gaitskellite on its, not the leader's, terms. It supported him on Clause IV and terms. It supported him on Clause IV and on unilateralism, but was dismayed by Common Market.

Fifteen months after his Blackpool tri-umph, Gaitskell was dead. He bequeathed a party that was transformed in attitude but not in structure. He had given little thought to organisational change. He was content with securing the autonomy of the parliamentary party de facto without archoring it de jure. He did not object to the trade union block vote, only to the way its conference delegates were man-dated. In so far as he toyed with the notion of one member, one vote, it was



for use within the unions, not the constit-

for use within the unions, not the constituency parties.

Gaitskell had great faith in the ordinary member's common sense and his own powers of rational persuasion. Both seemed justified by the outcome of the Scarborough debate, when many constituency delegations switched their votes after hearing his speech, making the unilateralist majority much narrower than anyone had expected.

anyone had expected.

His mission, was to cure the party of ideological self-indulgence, of its ambivalence about power, of speaking to itself instead of to ordinary people with ordinary needs. He wanted to make it what it: had been once before, from 1940 to 1961:
had been once before, from 1940 to 1961:
what Willy Brandt-was-to call-politifahig - willing and able to accept responsibility. He fitted, in the words of his
biographer, Philip Williams, into "the tradition of conscience and reform (that)
has a strong appeal in a country which
has hardly ever given a majority of votes
to a Conservative Party."

to a Conservative Party."

The Labour Party that won the next two elections (in 1964 and 1966) was the party refeshioned by Gaitskell and his supporters. It seemed to have become the natural party of government (the phrase was Harold Wilson's, the idea had been Gaitskell's). Gaitskellites, loosely defined, rose to increasingly high office – first George Brown, then Roy Jenkins and Anthony Crosland and, in the 1974-79 Labour Government, Shirley Williams and William Rodgers.

Yet it was never really their government. For all their prominence, which they owed more to their ebilities than to camaraderie between themselves and their prime minister, they were outsiders, slightly suspect to an increasing number of MPs and rank-and-file members. What of MPs and rank-and-file members. What had tied them to Gaitakell was not so much policy affinity — which, as the Common Market episode showed, was by no means complete.— but style, a vision of how politics should be conducted, a high-minded, rather intellectual, possibly slightly prigrich approach in which you said what you meant, came clean with the electorate and worked for clear-cut decisions. In a very real sense, the death of Gaitakell orphaned them:

Their inheritance was also threatened from another quarter, to which they paid

from another quarter, to which they paid too little attention. The Liberal revival of which Gaitskell had warned began at Orpington in 1962; ominously, as much at Labour's expense as that of the Tories. There was talk of Lib-Lab pacts, both then and after the close result of the 1964 election, but it got little response. More significantly, the Liberal leader, Jo Grimond, launched his ideas for a realignment of the Liberal ment of the Left.

His argument was simple that party divisions did not correspond with the divisions of opinion. There was no major-ity for socialism in Britain but there was a potential majority for a non-doctrinaire radical reformism, adherents of which were to be found in the Labour and Liberal parties and even among liberal Conservatives, He regarded the Gaitskellites' battle against Clause IV Ideologues and trade union conservatism as doomed. If

Gaitskell's orphans were looking for a godfather, they could have found him in In the 1970s, even more than the 1960s, voters were registering what was happen-ing more quickly than many politicians. The slow move awey from class politics, thet both Gaitskell and Grimond had forecast, gathered pace. In February 1974 the Liberals polled nearly 20 per cent. One voter in four voted against a class

in 1972 Dick Taverne, a CDS veteran, had held Lincoln at e by-election against the official candidate of his left-wing con-stituency party. In the same year, Roy Jenkins resigned as Labour deputy leader over the conference decision to hold a ship. The referendum was a device to prevent e party split but all it did was to postpone one; 1972 was the year when the crack in the mould became visible. What finally caused the orphans to pull out of the crumbling family home was a

combination of circumstances; as before, the voters' and the politicians' priorities did not coincide. The Gang of Four and those who followed them left for reasons of policy and, above all, for reasons of organisation.

By the early 1980s, the Labour Party had become precisely what Gaitskell had

warned against at Blackpool in 1959: Small cliques of isolated, doctrine-ridden fanatics, out of touch with the main stream of the social life of our time." The purpose of the organisational reforms, agreed in 1981, which created the electoral college and brought in mandatory re-selection of sitting MPs, was to perpetuete this state of affairs. It was to end the

re-selection of sitting MPs, was to perpetuete this state of affairs. It was to end the autonomy of the parliamentary Labour Party, not only de facto but de jure.

What bound the new SDP together was support for British EEC membership, which did not interest the voters very much, and opposition to unilateralism, which did. As in 1960, defence policy was the acid test of being politikfahig. On economic policy, the signals were more confused. There was a sigh of relief at being rid of the union link. Beyond that, some of the SDP wanted a Labour Party Mark II — a better yesterday, as Ralf Dahrendorf, head of the London School of Economics, remarked unkindly; others, particularly Roy Jenkins, did not.

For many voters other factors mattered, especially the Labour Party's accelerating retreat from democracy. At Blackpool, Gaitskell had suggested one way of modernising Labour's appeal by "the protection of the individual against ham-handed and arrogant bureaucracy." Twenty years later Bryan Gould asked, in Socialism and Freedom: "Why...do my constituents not (in general) regard

constituents not (in general) regard socialism as the path to their salvation?" end answered, inter alia: "It is the Labour Party which seems to say in effect, to a large proportion of the society, 'You are council tenants and that's how you stay' or 'You are trade union members and you damned well do what I

The split in the Labour Party that Gait-skell had forecast did not re-align the Left. Many who may fairly be called Social Democrats stayed in the party, as politicians or voters. It sometimes looks as though the Kinnock leadership would like to turn Labour into an SDP Mark II. It remains to be seen if, given the union link, its chances are better than those Grimond gave the Gaitskellites.

The SDP in turn is divided, and was

divided from the start, on its relations with the Liberals. Like Gaitskell, those round David Owen could not bring themselves to take the Liberals seriously. Ironically, it was the defence vote at the Liberals' 1986 Eastbourne assembly that confirmed their suspicions. And yet, on an objective view, David Steel is really a closet Social Democrat who admired Gait-

skell enough to consider joining the Labour Party when a student.
Gaitskell was a child of his time, and some of what he thought and said now seems dated. The formative influences on him were the 1928 Canaral Strike the him were the 1926 General Strike, the crushing of the workers' rising in Vienna in 1934, and Munich. From these he derived a contempt for both mindless militancy and pacifism. He did not antici-pate the decline of trade union power and had more faith in the role of the state in the market place than anyone in either wing of the SDP, or even Bryan Gould or an E-registration Roy Hettersley. What remains intact is the intangible inheri-tance - his political mentality, the ability to observe social change, draw rational conclusions from it and, above all, to treat the voter as an adult.

His orphans survive, scattered and impotent, sheltering in three different leaking refuges. Realignment so far has changed the problem, not solved it. Unless the orphans can carry it further, that is what they will remain.

The author is Gladstone Professor of Government at Oxford and a Fellow of All Souls College.

The Long View

When sense makes no sense

EXCHANGE rate agreements are a growth industry. What a shame about the short life return to almost cycle: the failure rate would be enough to make even a high-tech venture capitalist gasp for

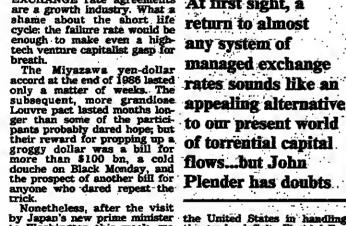
have a brave new yen-dollar accord; and the very turbulent conditions in the currency markets over the past three months have revived interest among economists (including Britain's Chancellor, Nigel Lawson) about a the possibility of a move heck to managed exchange rates. Is this somewhat that inventors business. have a brave new yen-dollar exchange rates. Is this some-thing that investors, business-men and the ordinary citizen can try to persuade the other than penal interest rates. The

At first sight, a return to almost any system of managed exchange rates sounds like an appealing alternative to our present world of torrential capital flows. In the course of the present decade, we have seen momentous exchange rate adjustments that have devas-tated domestic industries and made long-range planning for investment in plant and machinery impossible. In this world of overshooting curren-cies and trade imbalances, it sounds like mere common sense

to call for a system of rules.

But even if this were true and there are grounds for cau-tion as we shall see – the pres-ent time looks a singularly bad moment to contemplate such a move.

Consider the policy options of





Group of Seven countries to plug the financing gap. But after last year's Louvre deba-cle, their central banks are overloaded with devalued dol-lars and are unlikely to inter-vene on anything like a compa-

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squeeze resources out of the private sector by providing investors with an incentive to save more and consume less, which would respectively make it easier to finance the US budget deficit and cut imports. But the constant of the constant nobody now expects the crash to bring about adequate adjust-ment to the deficit. Which brings us to the last resort:

ultimately has been accompanytake accompanytake find our way to a new monetary system, the US retains an awesome ability to inflict losses on its trading partners through currency and trade wars.

Indeed, the present US post tion is not unlike the surplus countries take part in the adjustment to the surplus countries take part in forcing them to cut interest rates. This prevents their cur-rencies from appreciating to the rancies from apprenarencies from apprenapoint where their exports cease
to be competitive. In short, the
excessive supply of dollars that
results from the US trade deficit is brought back into line
with demand through the price
with demand through the price
with a workable system that
eliminates the bias in favour of
deflation. But that is a story for

Note that all these possible another day.

obvious way to do it is through tighter fiscal policy: raising deflating US domestic demand. The remedy that is not deflaultimately reduces the import bill. But we have already seen that the President and Congress are in no mood to confront the political cost inherent in such deflationary measures.

There is, of course, the oldest economic trick in the politicians' book: protection. Yet experience suggests that this is a very ineffective way to reduce trade imbalances and a most efficient way of precipitating trade wars.

At this point the honest electric deflating US domestic demand. The remedy that is not deflating. The remedy that is not deflating uS domestic demand. The remedy that is not deflating uS domestic demand. The remedy that is not deflating uS domestic demand. The remedy that is not deflationary requires a floating exchange rate system. Looked the world; floating markets around the world; floating dollar causes us the declining dolla

At this point, the honest electioneering politician admits to paralysis and hands the job over to the markets. We have already seen how the stock market crash of '87 tried to squeeze resources out of the stock probability of inflation versus recession.

Accord of 1985 are a cumula-tive tribote to debtor power. The emergence of the United States as the world's biggest The joy of devaluation is that custodian of the world's chief it might just conceivably take place without the accompanying traums of crashing maybees

growth rates in the world, behind a high wall of tariff bar-

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COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

MARKETS

D-Day supplies a crumb of comfort

London dealers, battered by 8 grim weekend press, reached grim weekend press, reached their desks with a sense of fore-boding on Monday morning. Most commentators predicted a sharp downturn in belated response to Friday's 140-point plunge on Wall Street.

In the event, Monday was poshing worse than a grey start

nothing worse than a grey start to a largely grey week - and certainly 2 far cry from the black events of mid-October. Hanging over the market was a pre-occupation with US develpre-occupation with US developments - in particular. Friday's trade figures. In the face of that uncertainty, activity dwindled to a trickle. By Thursday, just 350m shares were traded - extremely thin, even in these post-oresh days.

in these post-crash days.

True, prices were heavily marked down when traoing opened on Monday morning.
But that said more about dealers' nerves than actual business: the initial 50-point drop in the FT 100-Share index was scored on a volume of under 100m traces. This deeper gloom, moreover, did not last long. Faced with a fairly tranquil dollar and an initial bounce-back as Wall Street got underway, Footsie pulled back to a 13.2-point loss on the day.

The next three sessions pro-duced more of the same. If Wall Street showed signs of rallying, London took heart: a bout of London took heart: a bout of on. Footsie still closed at transatlantic selling, London turned lacklustre. On the points on the week.

FOR ONCE, it was better to whole, the lacklustre trend won arrive than to travel. through. Footsie fell by 21, 5.8,

But, as the week wore on, market-watchers began to concur that something in the \$1-4bn-\$16bn range would be viewed as neutral, for London equity levels at least. If the deficit proved larger, reasoned pundits, pressure on the US to raise its interest rates would increase in base results interest rates would increase in find it necessary to significantly inflationary in the successory to significant inflation in the successory to significant infla

London

recessionary fears. If it turned out much smaller, the dollar might take heart, or at least stabilise.

In the event the news was, indeed, better, with the deficit running out at \$13.2bn. By 3pm yesterday Footsie had recovered its sagging losses of the morning session and sped some 50 points higher. The US/Sterling exchange rate strengthened to \$1.7765, compared with \$1.807 at the end of the previous week, and although the initial enthusiaem dampened eomewhat as afternoon wore

Friday's news, however, was through. Footsie fell by 21, 5.8, only minimal comfort to the gitt and 10 points over Tuesday, market. The yield on high cou-Wednesday and Thursday pon longs stretched to 9.82 per respectively. respectively.

Friday. then, had become the market'e D-Day. Predictions for the American trade deficit varied widely; anything from \$10bn to \$20bn was mooted. But, as the week wore on, market was the work of a constitution of £1bn of stock. Competitive bids for the medium dated issue totalled just \$1.07bn - barely covering the stock for sale, and suggesting a s

Despite modest improvements on Friday, the market still appears to be discounting an eventual increase in base rates,

already takes in insurance subsidiaries Eagle Star and Allied that Atlantic Richfield, the US Dunbar – has indicated for over a year that it wanted to push into the US retail financial services market. At first sight, in Britoil, now 23,73 per cent, however, greater exposure in the US (given the market's above the 450p cash alternative At the hlgh street retailer, trading neering familiar. Talk of a DTI inquiry into the group's affairs – in particular, into its successful bid battle for Debenhams back in 1985 – has haunted the group remainded for over a year. On the morning cent.

D

on Friday, the market still appears to be discounting an eventual increase in base rates, worried that the authorities will find it neccessary to siphon off potential inflationary prescures at home. The major question seems to be when auch action might come: to date, hands had been somewhat tied by reluctance to push sterling higher against a dodgy dollar.

Only on the takeover front did matters continue to bubble consistently. BAT Industries, once predominantly a tobacco some move.

That said, the acquisition matters in bodding the shares around the 457p mark.

Matters at Dee Corporation, the food retailer on the receiving end of an unwanted £2bn cent, and lift financial services bid from the much smaller Barker & Dobson, were rather more heated. As Dee continued to niggle at its predator's financing arrangements, B&D Overall, then, the market ing BATs 15p higher on consistently. BAT Industries, once predominantly a tobacco some move.

That said, the acquisition Matters at Dee Corporation, the food retailer on the receiving end of an unwanted £2bn cent, and lift financial services share ~ analysts also see earnors had eached it liked the deal, marking BATs 15p higher on consistently. BAT Industries, once predominantly a tobacco of the acquisition Matters at Dee Corporation, the food retailer on the receiving end of an unwanted £2bn cent, and lift financial services share ~ analysts also see earnore analysts also see earnore

once predominantly a tobacco group but now set on diversification, had the deal of the week with a \$4.2bn bid for US property/casualty insurer, Farmers Group.

The bid was not a complete surprise in that BATs — which already takes in insurance subsidiaries Eagle Star and Allied Dunbar — has indicated for over a year that it worked to make the state of th

the product mix, but few at Asda will be sad that the mar-risge has ended following a management buyout of MFI. Mr John Hardman, newly-in-

stalled Asda chairman, is

profits have risen to about \$95m, up from £86.1m. This

will have been made possible

by a 25 per cent or so improve-

ment in the supermarkets divi-sion, where a revamping of

stores and a move into higher value added products are begin-

paranoia over dollar earnings) offered by BP. By Friday aftermight not seem the most welcome move.
That said, the acquisition

offered by BP. By Friday afternoon, speculation was still broke: DTI inspectors have
holding the shares around the
asked for information under
section 447 of the Companies Act. That is scarcely unique there are some 130 447 inqui ries a year - and Burton was happy to assure shareholders that there had been no suggestion of any criticism of its own directors. But the news did nothing for the share price, down 11p at 224p on the day.

Gilts

FT-A AM- Stocks Inch

Nikki Tait

tion and investment group, from 19.64 to 20.47 per cent, Rowe Evans Investments remains interested in 35.42 per

194.35 Brit. & Comm. 25.83 Air Products 216.82 Bine Circle 250.00 Brit. Airways 2.27bn, BP 105.83 RHP Group 198.44 Trafalgar House 1.92bn, Barker & Dobess 1.92bn, Barker & Dobess 1.5.44 Bastock Johnsen 474.00 Sears 19.55 Casket 206.49 RTZ 25.10 Dobess Park 400.00 Sc. Pasl Co's 29.64 Beazer (C.H.) 134.66 ELF Aquitaine 13.99 Northern Eng. 794 264 2554 172 425 165 51 550 8289 220 99 Bargess Group Chase Property Dec Corpu. Encalyptus Pulp? Freemans Kingsley & Forest M.K. Electric† MS Intl. Minet Hildgs.

*All cash offer. 17 Cash alternative. Partial bid. § For capital not already held. § Unconditional. **Rased on 2.30 pm prices 15/1/88. †At suspension. Shares and cash. •Releated m NAV to be determined. Floras stock. •Sespended.

PRELIMINA	IRY						
Симонту	Vest	Fre-0	man profit	Per 10	are (p)	bet op David	rade" tero (p)
Barr AG	Nov	5,320	(4,475)	57.1	(46.7)	13.0	(11.0
Berkeley Gerett	Sept	13,290	(6.980)	-	{- <u> </u> _		(-1
Body Shop	Sept	5,990	(3,450)		110.31	3.0	1-1
Countryside Prep	Sept	11,120	(4,150)	21.6	(10.5)	1.9	(1.6)
Crenbrook Elec	Sepi	209	(361 L)	-	(-)	0.5	(-1
Credit factoring	Sept	4,300	(3.440)		(-) _	5.4	(-)
Dewhurst	Sept	590	(352)	5.0	(3.5)	1.4	(1.2)
Greenwich Res	Sept	788	(302)	3.6	(1.4)	-	(-)
Kunick	Sepi	3,430	(2,520)	= _	(-)	7.0	1-)
Ludon & Clydes	Sept	1,050	(1.7401	9.7	111.1)	4.0	(4.0)
Laden Scott Bak	Oct	2.480	(2.080)	4.0	(3.3)	1.8	(1.5)
Lawe Robert H	Oct	851	(528)		116.00	2.8	(1.7)
Neotronics	Scot	2,580	(1.210)	7.7	(3.5)	1.2	(-1
Oskwood	Sept	247 L	(155)		(4.2)	1.0	(4.0)
PWS Holdings	Sept	7,220	16,140)		(21.4)	10.5	1-)
RCO Holdings	Oct	1,400	(1,330)		(8.2)	6.0	(-)
Sthern Business	Sept	4,100	(1.720)		(13.3)	4.6	(3.5)
Starge	Sept	12,600	(8,510)			8.5	(-)
TV South	Oct	21.800	(14,400)	33.7	(28.6)	12.5	(10.0

ni 1909 - 199 usuited the Broth Lemans nicessen in course he						
for over a year. On the morning cent.	INTERIM STA	TEMEN	TS			
	Смерину	Half-pear to		reoffit (00)	Interior per	skane (p)
The end of an	Astra Holdings	Sept Oct	2,620	(129)	0.3	(-)
I BO OMO OT ON	Banks Sid C	Oct	1.260	(1.400)	2.1	(2.0)
1 116" C-1161 611 2414	Barbour Index	Oct	1,910	(1.560)	2.0	(-1
THE CHAM OF SHIT	Bespak	Oct	1.430	(759)	2.1 2.0 2.0	(1.7)
	Black Peter	Oct	3,900	(3.200)	0.5	(0.41
	CAD Cours	Oct	3,370	(1.450)	7.2	(6.0)
unhappy affair	Carcio Engineering	Sept	3,590	(1.850)	1.1	(0.91
IIM MANNET ATTAIN	Canidon	Sept *	100 L	(-)		1-1
THE STATES OF THE STREET	Courts (Furnishers)	Sept	3,700	ì 1,920)	2.0	(1.7)
PUTETTOP IN A PETTOPTT	Cray Electronics	Sept Oct	4.100	(3.210)	0.8	(0.0)
	Dixons	Nov	49.500	(38.610)	1.3	11.21
CHARTINI DEPO LA CONTRACTO DE LA CONTRACTORIO DE LA CONTRACTORIO DEL CONTRACTO DE LA CONTRACTORIO DEL CONTRACTORIO DEL CONTRACTORIO DEL CONTRACTORIO DE LA CONTRACTORIO DEL CONTRA	Ellis & Everard	Oct	4,100	(3.350)	1.9	(1.7)
SHAREHOLDERS in ASDA, the	First Security	Oct	1,030	(793)	1.7	(1.5)
eupermarkets group, will	Guerre Photo	Nov	248	(230)		(-)
doubtless let out a collective	Hewsen Group	Oct	3,600	(1.510)	1.3	(1,31
aigh of relief on Monday when	Markhenth Sec	Sept	1,380	(470 L)		1-7
the company announces its last	Multitone Elec	Sept	146 L	(235 L)		i.i
set of results to include a con-	Nobe Group	Oct	1.090	(830)	1.8	í-í
tribution from MFI, the furni-	Northumbrian Fine	Oct	336	(259)		iai
ture group.	Parkfield	Oct	4,630	(2,940)	0.7	i 1.01
MFI has struggled in the two	Reliance Security	Oct	884	17921	Τš	(-)
years since it joined Asda and	Ross Consumer	Sent)76	(792) (138)	1.2	7-5
in the first six months of this	Stead & Simpson	Seni	2 800	(2,410)	i Z	ì (.2)
year its profitability is thought	Symonds Engin	Sent	2.800 86	(79)	0.3	(0.3)
to have declined. In fairness the	Thorpac	Sept Sept Sept Sept Oct	72	(93)	0.3	(Ö.3)
	Tomkins FH	Oct	16,800	(3,190)	ĭ 3	(1.0)
half year was a period of hectic	Trent Hidge	Sent	400	(263)	0.5	(0.46)
change, both in marketing and	West Industries	Sept Sept	400 218	(2261	0.2	(0.2)
the product mix, but few at	Westered Insent	0-	2 160	71.060	2.3	(0.2)

(Figures in parantheses are for the correspond Dividends are shown not prace per share, exc indicated. L = loss. Figures for three mouths.

RIGHTS ISSUES

Cambium Venture Capital plans to raise £3.1m via a three-for-one

rights issue. Cooper Fraderick are to raise £7.4m via a one-for-two rights issue of 10.58m convertible preference shares.

ML Holdings are to raise £12.8m via a one-for-three rights issue.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

Associated Heuriques are joining the main market via a placing of 2.75m shares at 71.5p.

Globe Investment Trust are to seek a listing on the Tokyo Stock Exchange at the start of next month.

TGI are to raise £8.5m via a main market placing of 6.54m shares at

Verson International are to join the main market later this month.

RESULTS DUE

Company	Announce-		Dividend (p	
- Conquery	STANTE CHANGE	Last	Ages	This yes
PRIAL DIVIDENDE	004	WIL.	Final	lant.
Affed Textile Anglia Television	Wednesday	3.0	5.0	
Anotic Television	Tuesday	-	11.3	34
BICK Group	Tuesday		2.0	
Brooks Tool Eng	Monday	0.6	0.8	16
Burdene Invest	Monday	1.2	3.5	0.7
Crown Television Products	Thursday	1-2		1.5
Crown Television Products	Wednesday	1.0	24	•
Denmans Electrical	Thursday	1.3		
Derby Trust	Wednesday	4.3	2.6	14
Sectronic Mechine	Thursday		4.9	4.5
Europherm Intil	Tuesday	1.5		0.3
Evode	Monday	7.0	3.5	17
First Leisure	Wednesday	25	28	13
Gentetner	Thursday	0.5	5.0	
Greenfrier Invest	Friciny		1.0	0.5
HM & Smith	Thursday	••-	2.0	-
COLORES	Wednesday	1.1	2.4	-
LPA industries	Toesciery	2.0	4.4	2.6
M&G Group	Thursday	14	1.6	-
Microgen Response Invest Tat	Wednesday	2.6	3.2	3.0
Resturn Invest Tat	Thursday	1.0	3.0	15
St Andrews Trust	Thursday	5.0	8.5	70
Soundinace	Tuesday	1.2	12	1.5
Soice	Wednesday	0.3		-
Transfer on Errin	Monday	1.3	1.9	1.2
Windoor Securities	Tuesday		4.7	15
INTERIM DIVIDENDS	- outling	0.2	0.5	0.3
ADMICHOTT	Thursday			
Actorie	Tuoeday	-	1.2	-
Asde-MF?	Mondey	1.4	•	
Beales John	Thursday	1.5	21	-
Centors	Priday	0.5	4.0	-
Clark Melitimu	Tuendey	3.5	3.0	
CIBING HOODER	Tuesday	1.0	5.5	-
Cook O.C.	Monday	1.0	1.5	-
Coomore	Treesday	1.2		-
Delepsk Foods	Mondey	0.6	17	-
Electron House	Tuesday		1.8	-
Flerring Tech knyest Tst	Wednesday	1.5	2.1	-
CELIDIDADO YORKININA	Tuesday	0.3	1.5	-
DETRICITY LEGILIES	Monday	4.5	0.8	-
Marrison industries	Monday	1.5	nı	-
Heath Samuel Kanyon Securities	Thursday	1.40	3.9	-
Name of Securities	Wednesday	2.0	16.5	-
Kowiii Systems	Wednesday	بيت	4.0	-
Newmank Louis	Transfer	5.0	1.5	-
PROPERTY AND A STATE OF THE PROPERTY OF THE PR	Tituration	9.0	9.0	-
Regi Time Control	Monday		0.2	•

WEEKEND FT CLASSIFIED ADVERTISEMENT RATES (min. 3 lines) (min. 3 cms) (Fich Colour)
(Spot Colour)
(Spot Colour)
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Personal, Mail Order
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Coming to terms with reality

this year does not suggest that the new issue market is about to dry up, but it does imply that the world has changed.

Glorious premiums and soaring ratings on new USM issues look like being things of the past. To some observers, these were merely indications of too

were merely indications of too much froth on the market, espe-

cially in the summer.

It is good news for the investor because the emphasis this year will be on quality. Several fund managers have had their fingers burnt on the USM dur-ing the last quarter of 1987, when the USM index fell by 39 per cent after the October mar-ket crash, compared with the FT All-Share's fall of 26 per cent. The shock has made them

more choosy.

However, it is less good news for the short-term punter. Last summer, premiums reached incredible heights. The most spectacular debut was that of Glentree, the residential estate agents, with a premium of 160 than proceed with a listing. per cent above the issue price, followed by Parkway, the

For the company thinking of a listing on the USM, the attractions are a high degree of visi-bility, and, in the past easy bility, and, in the past easy access to funds for making acquisitions often a significant part of an USM company's growth. These have faded since the crash. As Mr John Alexander, the manager of Touche Remnant's small companies fund argues; "Because share prices have fallen so much, people have to part with substan-tially more of their company to

raise a similar amount. This means, he says, that there will be a much greater hesitation on the part of private companies to submit them-selves to the vagaries of the etock market. "A lot of those people hate taking the train to London, they haven't enjoyed the lieting and they find it uncomfortable having to report

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BUILDING SOCIETY+

High interest access

High interest access

NATIONAL SAVINGS

General extension

Schroder Wagg . Provincial Trust

MONEY MARKET ACCOUNTS

SRITISH GOVERNMENT STOCKS

5pc Treasury 1986-89

3pc Treasury 1992

10.25pc Exchequer 1995 3pc Treasury 1990

income bonds

Deposit bond

33rd issue

LAST WEEK'S CHANGES

The following table shows the change to the FT 30-share index and its constituents over the past week. The FT-SE index is also shown.

	Price yester- day	change since 8/1	1987/8 High	1987/8 Law		Price yester- day	change slace 8/1	1987/8 High	1987/2
FT Ord tad	1436.7	+12.2	1926.2	1232.0	Grand Met	449	+7	605	348
ASDA-MFI	175	+8	22642	1425	GKN	315	+8	434	235
Allied-Lyons	343	o/c	471	290	Guinsess	308	+15	389	227
BICC	336	+3	436	269	Hanson	141	+5	19514	116
BOC	416	+9	559	390	Hawker Sidd	462	-3	638	377
BTR	267	-5	374	228	ici	£11%	وتاء	£1615	937
Beecham	469	-21/2	589	345	Locus Ind	5%	+16	795	465
Blue Circle Inds	427	-8	579	289	Marks & S	18t	+3	2801/2	160
Boots	255	+8	3294	205	Nat West Bank	598	m/c	794	498
British Gas	137	-5	200	106	P&O	544	+12	776	425
BP	257	-5	416	234	Plessey	159	-1	258	127
British Telecom	231	+647	337	283	Royal Insce	468	+7	595	345
Cad Schweppes	261	+7	291	185	Tate & Lyle	787	-17	944	560
Courtanida	346	-2	535	302	Thora EMI	572	+14	830	. 436
GEC	156	-9	251	1484	Trusthowne	225	+2	286	171
Glano	2104	+34	£181/2	961	FT-SE 100	1787.6	+14.2	2443.4	1565.2

increase in the sale of private was nearly 25 per cent higher, small companies market was companies to other manage—although the year saw four County Securities. Prior to Big ment rather than an independent of the prior to be although the year saw four Bang, County Bank's corporate ment rather than an independent valuation on the USM. it land, TV-AM, Monotype and is, after all, much cheaper. The directors of Blazer decided last year, following the crash, that they would rather go under the umbrella of a big company, Storehouse, continuing themselves to manage the business.

As many as 16 new icenes were held on ice after October WCRS photographic services 19. Of these, only two pro-spinoff, with 114 per cent. 19. Of these, only two pro-ceeded on a lower p/e. The Company of Designers reduced

Junior Markets

casualty was the insurance brokers Lloyd Thompson, whose debut was destined for the day ity on the part of the larger, of the gales on October 16. As established houses will merely

2.52 4.91 5.33 5.64 6.17

4.04 5.75 6.00 6.50 6.75 6.86 7.12 7.38

7.30 8.04 7.67 7.00 7.00 6.51

7.09 7.12 6.46 6.93

4.80 5.20 5.50 6.00

4.00 5.75 6.00 6.50 6.75 6.75 7.00 7.25

10.00 10.50 10.50 7.00 7.00 6.51

9.31 9.85 7.35 7.48 7.51

rear, he adds.

Andrew Holland at County glomerates which was expected
Securitiee. The figure for 1986 to play a significant part in the

Mrs Fields, which collectively raised £84.7m.

Last year, as much as £744m was raised by companies with an existing USM quote. "This suggests that the corporate train that a stong hame in smaller companies, as did the firms with which it merged - Bisgood the jobbers and Fielding Newson Smith, the brokers. However, County appears to have concentrated more on accompanies. suggests that the corporate houses may have been more busy with existing customers," comments Mr Holland, "or that the emphasis was on bringing

cing power - the ability of the sponsor to persuade institutions to take up shares - is more important than ever. It is also not to be too greedy. The company which came to the market on 13 times earnings last year is unlikely to be worth more than 10 in 1988. This year, sponsors are likely to be more cautious, particularly when underwriting their own issues.

leading Capel-Cure Myers small company sales team and ansitysts in September.

This week, County'e USM strategy was coming under scrutiny following the resignation of Mr Brian Winterflood, a director of County Natwest, who is one of London's leading equity market makers and a founder of the USM.

Asked whether his departure its issue price from 145p to sponsors are likely to be more 100p. The first, unknowing cautious, particularly when

the city was shut, the issue was postponed until Black Monday. To go to less reputable houses lits original share price and premium held up for seven days before succumbing.

In the absence of the graph. before succumbing.

In the absence of the crash, to buy the house issues are now finding those individuals are Heather

there would still have been finding those individuals are Heather In the absence of the crash, there would still have been finding those individuals fewer USM issues in 1987 than the most scarred by the crash, and the most reluctant to

payment

yearly yearly yearly

yearly hall yearly half yearly half yearly

yearly

half yearly half yearly half yearly half yearly

Tax (see notes)

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

1.37 2.63 2.85 3.01 3.29

2.21 3.15 3.29 3.56 3.70 3.76 3.90 4.04

4.41 4.20 7.00 7.00 6.51

2.84 3.50

4.39 5.18 5.36 6.26 6.28

*Lloyds Bank.†Halifax 90-day; immediate access for balances over £5,000.6 Special facility for extra £5,000 § Source:Phillips and Drew. ¶Assumes 4.5 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax Iree. 4 Dividends paid after deduction of basic rate tax.

Compounded results for taxpayers at 45%

1.88 3.62 3.92 4.14 4.52

3.04 4.33 4.52 4.90 5.09 5.17 5.36 5.56

5.50 6.06 5.78 7,00 7,00 6.51

3.90 4.81

5.48 5.62 5.30 5.86 6.56 6.59

to outside shareholders twice a total of £191m, according to One of the larger city confinance team had a strong name

> some of its larger companies, although some like Blue Arrow have been nurtured from the USM. County's proposed merger with broking house Wood Mack-enzie aroused interest as Wood The message for the company thinking of a listing is that placing power - the ability of the leading Capel-Cure Myers small

underwriting their own issues.

Fears that increased selectivity on the part of the larger, established houses will merely encourage lower quality issues to go to less reputable houses lutely not. We have a team of

Farmbrough

1,000-4,999 5,000-9,999 10,000-49,999

1-250,000 500 minimum 2,000 minimum

5,000 minimum 10,000 minimum

500-9,999 10,000-24,999 25,000 minimum

5-100,000 2,000-100,000 100-100,000 25-1,000 20-200/month

2,500 minimum 1,000 minimum

(days)

67

9999

0

looks like making between **Results Due**

ber 31 on Monday, indicating a recovery from the traumas of 1986 for the UK tourist trade. Britain's largest hotel group

£165m and £175m pre-tax against £136m in the previous year. Analysts anticipate an increase in the catering and UK

increase in the catering and UK hotel sectors of the group.
Official government figures for the quarter to October showed that overseas visitors to the UK were np by 15 per cant. The large majority of these were American, suggesting that the weakening dollar has not as yet affected UK trade.

The group's continental operations, especially in Paris, have had another difficult year.

diversification

an industry where success



Lord Delfont: helped by

though the Travelodge chain may disappoint. Any effect of may disappoint. Any effect of the weakening dollar on ster-ling figures may be offset by the group's dollar borrowings. Popular capitalism, fuelled by a bull market and the Government's privatisation bonanaza, can only have helped M & G in

away from Black Monday. With the best-known name in

In the US, THF's upmarket

hotels have performed well. its last financial year, which ended three comfortable weeks

depends on street level recognition. UK's largest independent
retail fund manager reports its
figures for the year to September 30 on Thursday. Analysts'

years now.

Both UK and overseas programme sales are expected to
show an increase, following
ber 30 on Thursday. Analysts'
higher programme spend.

John Hardman: new man at the helm of Asda forecasts for pre-tax profits are

in the range of \$20m to \$24m, a substantial increase on the £15.5m schieved in 1986-86. On Thursday, GESTETNER HOLDINGS, the office equipning to show through.

Mr Rocco Forte is expected to announce a sharp rise in TRUSTHOUSE FORTE'S pre(against £10.6m) for the year to October, its first under the management control of AFP Investment Corporation.
This result would reflect a

\$9.6m contribution from the second half, traditionally the second hair, traditionally the slacker period. The effect of currency translation is expec-ted to be broadly neutral, with the weaker dollar helping to ameliorate continuing losses in the US.

Gestetner's new Anetralian masters so far have not allowed post-crash uncertainties at home, primarily concerning AFP's options over shares in Elders IXL, to distract them from the cost-cutting task at the formerly family-controlled company. The City will be looking, however, for guidance about how quickly Gestetner can add new product lines, pri-marily by acquisition, which was the rationale for the AFP rescue.

FIRST LEISURE, Lord Delfont's resort, entertainment and sports group, looks like announcing pre-tax profits on Wednes-day of at least \$15.5m for the year to October 31.

The group's diversification into areas with a less seasonal blas seems to have paid off with the disco and sports side of the company expected to contribute good results. First Leisure's theatre interests look like doing better than ever. Shows like Chess and 'Allo 'Allo have played to capacity audiences nearly all year.

The company's resorts and restaurants, which include Blackpool Tower and piers, will probably show solid growth, but the poor summer has ruled out the chance of spectacular profits. ANGLIA TELEVISION is expected to show pre-tax profits of between \$11m and

£11.5m when it reports its results for the year to the end of October on Monday, com-pared with £8.5m last time. The independent television contractor for the east of England, Anglia looks like boosting its net advertising rev-enne for the year to about £78.5m, a 14 per cent increase on last year's figure and shead of the industry's 13.2 per cent

Anglis covers the fastest growing, most affluent area outside London and the company has shown a steady profits increase for a number of

Oo8ar Index Ave 1975-100

105

Adrenalin surges as Armageddon is avoided

100

80

IT CAME like a last-minute immediate boost to the US bond narrowed and London closed reprieve to a condemned man market, particularly at the lon-with a net loss on the day of reprieve to a condemned man on Death Row, and not just to the intended victim; the awaiting crowds also hailed the unexpected news - and rushed

The November US merchandise trade deficit flashed onto London acreens at an unex-pected low of \$13.2bn yester-day and the FT-SE 100 index (Footsie) reversed a decline to go an immediate 20 points ahead. The dollar surged four pfennigs against the German mark and hit Y130. The week of waiting had, it seemed, been worth all the agony; the way-out worst estimates were a few market-makers were caught short.

The reaction was the same in Paris and Frankfurt and on any other European market open for business, official or afterhours. There was still an hour to go before Wall Street opened bat, in Friday afternoon's euphoria, no one doubted the

ger end. It was the same story in the futures markets, leaving analysis to ponder what all the week's agonising had been

The week had started with fears of a real Armageddon. Weekend reflection on last Friday'a 140-point collapse on Wall Street - its third-largest

World Markets

way-out worst estimates were fall in history - left raw nerves proved to be just that, and not on trading floors around the world on Monday morning. Fears of another Black Monday saw market-makers widening

apreads and waiting.
Tokyo moved first and downwards, declinee leading
advances by three to one in the
first fall in five trading days. in London, the Footsie was down an eatimated 50 points even

with a net loss on the day of just over 13 Footsie points. The story was much the same throughout Europe, most mar-kets ending above their day's

Wall Street itself opened nervously in relatively heavy two-way trading, but a cautious rally before the close saw the main Dow Jones index regain a quarter of Friday's big losses. Armageddon avoided, or mereiy

The ahort focus moved imme-diately to the US trade figures and the week until yesterday saw virtually every market around the world marking time. Dealers with little business on hand joined in the great game of the week - guesstimating the figures. A kind of mania took hoid, with eatimates varying between \$12bn and \$22bn, and one enterprising London agency actually opened a book to call the odds. The ahort view had no time for fundamentals.

outcome and no one was disappointed: the first New York numbers were good and the markets' adrenalin responded to short-term analysis.

News that US producer prices feli C.3 per cent in December, after an unchanged November, was the final icing to give an extimated by points even before official trading began. By Thursday, Tokyo at least was closed yesterday for a seemed to have had enough. "People were fed up with talking about the trade figures and decided to get on with the market," said Stephen Codring-ton of Jardine Fleming, as the main but there was no rush of sellers, either. Dealing spreads

By Thursday, Tokyo at least was closed yesterday for a national holiday, leaving an uncertain London without its market, said Stephen Codring-ton of Jardine Fleming, as the main but there was no rush of sellers, either. Dealing spreads

FT~A World Indices In deliar terms (Dec 31,1986 = 100) 145 Pacific Basin 135 125 120 115 110 105

ieading falls by 2.5 to 1 in mod-erately heavy trading. But then, it was Tokyo's last chance before the weekend; the market

Oct 1987

Sobriety induced by the Octo-ber crash has put a high pre-mium on caution, and the coliective wisdom remains that investors ignore risk and fundashort view, though. The second mental valuation criteria at full trading week of the year their perii.

Yet the New Year tendency is to put some cautious emphasis on the fact that the great shakeout has left values more rea-sonable. Some analysts are becoming more positive, and many London-based market watchers are advising an increase of equity exposure in Europe, particularly in France and West Germany - two markets which failed to join in the euphorie of the first nine months of 1987 when most markets were taking off into giddy neights.

Others are raising questions over economic management in Germany. The economy there ground to a virtual halt in the last quarter of 1987, provisional figures showing an increase in GNP of 0.5 per cent to zero. Ahead of yesterday's US trade figures, the criticism was that the Germans were not playing their global part (with the Japanese) in correcting the Japanese) in correcting world trading imbalances.

The Germans, for their part, ergue that the estimated 1.7 per cent growth in output last year was due to domestic consumption, and point to the fact that export growth has been eign investors are none too stagnant. And while one swallow does not make a summer, it after the November trade figthat export growth has been stagnant. And while one swal-

20 Dollar Index Trade-Weighted 110 incex

is just possible that the better- ures could change sentiment. than-expected US trade figures may take some of the pressure off the Germans.

the dollar is strengthen-bought, and what arous a mining...most (German) negative recession in the US? But then, data has already been dis-counted by the market." For-as much as answers.

Analysts this weekend will focus less on an immediate Armageddon but nonetheless on Certainly, German market tive questions. Are the Novemanalysts are becoming slightly more optimistic. Deutsche sank's Ernst Drayss sees two positive factors at work: "The stock market is oversold and bottom out? Is Tokyo overbought, and what atom a mini-

an 1989

Dominick Covie

Traders emerge from hiding

THE MONTHLY trade figures may or may not show a true picture of US trading relationships but Wall Street does not mind either way. The figures may be six weeks late, in nominal deliver and post edirected for

may be six weeks size, in homi-nal dollars and not adjusted for the time of year, but they move markets. Waii Street makes money in moving markets. For the past nine months, the monthly US trade report has come to dominate world stock, hond, and foreign exchange bond and foreign exchange markets. It was the big deficit figures released in mid-March, mid-August, mid-October and mid-December that sent the financial markets into a spin. and the lower figure in November that prompted a small rally. But the market's reaction to this week's figure (which cov-ers November) outdoes every-

Even before the markets opened last Monday, traders were so petrified of what the r trade report would bring that they were planning to spend the week in hiding. There were no buyers around. The dollar, which was riding high as the result of the Central Bank's New Year intervention.

drifted downwards all week, puterised arbitrage between the shedding a coupie of yen and atock and futures markets one plennig. Bonds were a bit drove stocks down aharply in

The atock market was a

Wall Street

not been a respectable business level for months. There were whispers of a trade deficit even higher than the \$17.6bn for October that so demoralised everybody half-way through last month Bolder spirits said the central banks would never

and irritated even professional

the first hour, up again in the day and down in the last halfdreary place. Despite the 140point fall two Fridays ago,
there was no bounce in the market. Volume hovered around
150m shares a day, which has gramme trading on Thursday which runs until next Friday. Some fund managers would like the experiment to go on longer

like, forever. The trade figures duly flashed up on Friday morning, and they were wonderful. The trade deficit was just \$13.22bn, thelowest figure since April and far lower than the \$15-16bn which was Wall Street's

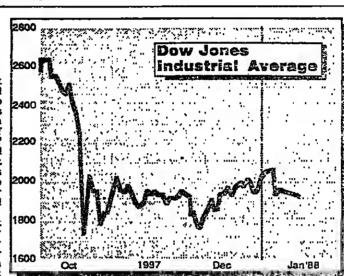
last month. Bolder spirits said the central banks would never have intervened to support the dollar without some certainty that their work would not be laid waste by a bad trade figure. But nobody was prepared to bet on lt.

In this thin market, the big awings brought by programme trading stuck out all the more soared 55 points on the Dow Jones Industrial Average. Even Jones Industrial Average. Even fund managers. After Wednes-day's performance, when com-quite a dramatic reaction.

But was it the turning-point for US trade and the financial markets? Is US industry so competitive, and are US assets so cheap, that the dollar can now stabilise? Has the threat of rising interest rates gone away? Will export earnings soar and the stock market rise to reflect them? Will foreign companies pour into the stock market to buy up cheap US companies for their production facilities and

market share? All things are possible, but the bull case still looks wiidly optimistic on the basis simply of trade figores, The November figure was \$2bn smaller than the market's forecast - but then, the October deficit was \$2bn higher than expected. Someone standing back from the monthly figures would see a deficit hovering about \$15bn since last summer. Who is to say that December's trade deficit might not be there, or

Moreover, the stock market has a lot of things to worry about If Wall Street is irritated by the programme traders, retail investors are scared. The sickening 140-point fall on the



Dow two Fridays ago was not a great advertisement for the stock market as a home for savings. This week has shown that, without new sources of funds, the trend of the market

North American

brought its usual crop of reviews of 1987 and the Octo-

ber disaster, but also some cau-tious previews. There are, of course, no bulls around but the

bears are becoming relative.

Jan 1988

is down. The stock market needs a US economy that is neither too strong nor too weak, and that is a tall order. Excessive strength carries the threat of higher interest rates, which will choke off any progress in stocks. But

there also are worrying signs of weak demand in the economy. Wall Street has also become anxious about business spend-ing, and last week's profit fig-ures from Digital Equipment,

which supplies computers to small and medium sized companies, became a sort of touch-stone of stock market confi-dence. Digital fell \$7 7/8 to \$124 3/4 on Tuesday as the market decided to play safe and Thursd sold off the stock in prepara-

tion for Wednesday's results. As it turned out. Digital's revenues and earnings were up SS per cent in its second quarter to December, but the group said it would be cautious about investment in the current six months. The stock shed a further \$5.378

on Wednesday and Thursday, before stabilising on Friday. The best news of the week was a genuine large-scale take-over bid, and from a foreign (or ouasi-foreign) buyer at that. The \$4,2bn offer by BAT Industries, a British company with American roots, for Farmers Group added speculative inter-est to the whole property/casualty insurance sector. Farmers itself rose \$11 1/4 to \$54 1/4 in response to Wednesday's offer. The offer has given new heart to Wall Street's risk arbi-

trageurs because it is the sec-ond genuine takeover bid from a foreign company this year, after Hoffmann-La Roche's \$4.2bn offer for Sterling Drug. Throw in Texaco and A. H. Robins, two bankrupt companies with strong takeover possibil-ties, and the arbs have a prospect of quite a good living. James Buchan

1945.13 + 38.82 1928.55 - 16.58 1924.73 - 08.82 Tuesday Wednesday

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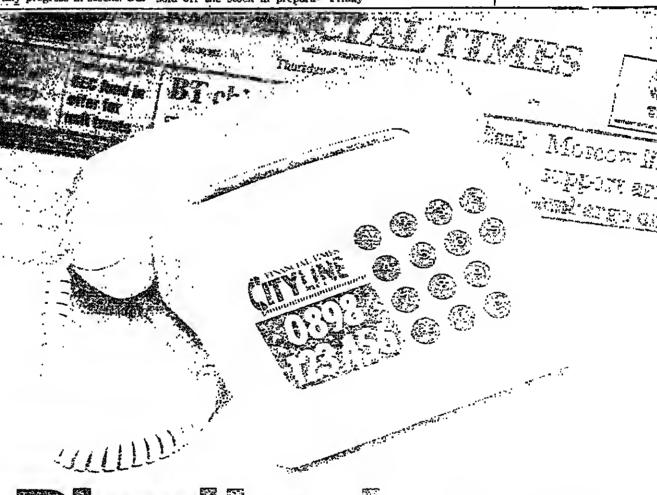
Elizabeth Rowan ext 3458



PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 OCTOBER 1987

- TURNOVER UP BY 24.8%
- PRE-TAX PROFITS UP BY 51.4%
- **EARNINGS PER SHARE UP BY 17.8%**

	1987 UNAUDITED	1986
	£m	£m
TURNOVER	<u>171.9</u>	137.7
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	21.8	14.4
TAX ON PROFIT ON ORDINARY ACTIVITIES	8.9	5.7
PROFIT FOR THE FINANCIAL YEAR	12.9	8.7
DIVIDEND	4.3	3.1
EARNINGS PER SHARE (FULLY DILUTED)	33.7p	28.6p



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Still time to enter

THE NINE teams of professional fund managers are now sional fund managers are now up and running in the Great Investment Race for charity. But you still have time to enter the FT Readers Race to see if you can beat the experts at forecasting stock market trends and compiling a portfolio of shares that will yield the best return during the next 11 months. the likely level of the FT-SE 100 index on the dates shown. These estimates will be used as tie-breakers for the annual and quarterly prizes in case readers choose the same portforeaders choose the same portio-lio of five shares.

This year, the Weekend FT will give quarterly reports on progress in the Readers' Race from the records kept by the WM Company, which is monitoring it

toring it.
A number of assumptions are made to take account of possi-ble developments that might

affect your choices:

• If there is a rights issue, entrants will be assumed to

have sold a proportion of their rights to buy the maximum pos-sible number of shares in the

When one of the companies

you have selected is subject to a take-over bid, the entrant is assumed to have voted on

accepting or rejecting the bid in line with the majority of the

After filling in your name and address, post the entry form together with accompanying cheque or postal order to the Financial Times, Bracken

House, Cannon Street, London EC4P 4BY, Please ensure that

the envelope is marked "Great Investment Race."

Receipts or acknowledgments of individual entries cannot be

provided because of the volume

company;

Months.
You also have a chance to win \$5,000 worth of Holborn unit trusts donated by Prudential/Holborn, sponsor of the race, as well as the quarterly prizes given by the Financial Times inits centennial year.

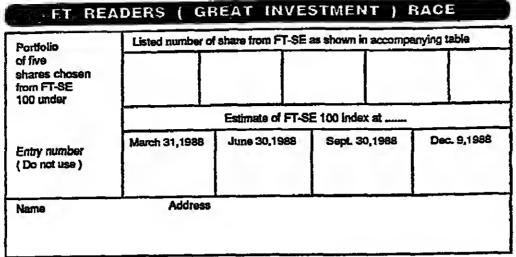
The only costs involved are sending in the completed entry form along with a cheque or postal order for £10 made out to Charity Projects, which will use your contribution to help charities for young people who are disabled, homeless, or suffer from drink or drug abuse

Charity Projects has no overhead costs since it is covered by various sponsors, so contributions go entirely to helping charities which do not have the resources to finance fund-raising activities.

You can send in as many entries as you like providing each one is accompanied by the £10 payment to Charity Proj-

For each entry, you are assigned a "paper" sum of \$55,000 - the same as given to reams in the Great Investment Race — which you have to invest in tranches of £11,000 each in five shares selected from the accompanying table of companies in the FT-SE 100 index

In the top five boxes, put the numbers shown in the list of the five companies you think will provide the best return by December 9 this year, including dividends as well as capital gains. Then, in the four boxes



FT-SE 100 Companies with prices as quoted in the December 10, 1987 issue of The Financial Times

Amstrad Consumer Elecs. (115) 1. Aristrat Caristine Decs. (2. Alied-Lyons (329xd) 3. Argyli Group (178xd) 4. Assoc. Biritish Foods (300) 5. ASDA-MFI (159) 6. BAA (90xd) 7. BAT Inds. (411) 8. BET (221xd)

10 BPB Inds. (237xd) 10 BPB Inds. (237xd)
11 BTR (270)
12 Barclays Bank (445)
13 Bass (785xd)
14 Beecham (429)
15 Blue Arrow (88)
16 Blue Circle Inds. (304)
17 Boots (223)
18 British & Commonweelth (282)
19 British Aerospace (318)

20 British Airways (138) 21 British Gas (127) 22 British Petroleum (250) 23 British Telecom (206) 24 Britol (277½) 27 Cable & Wireless (315xd) 28 Cadbury Schweppes (237) 29 Costs Viyella (248)

30 Commercial Union (325) 31 Consolidated Gold Fields (883) 32 Cockson Group (461) 33 Courtsuids (330xd) 34 Dee Corp. (160) 35 Dixons (207) 36 English China Clays (375) 37 Fisons (243) 38 General Accident (788) 39 GEC (155)

40 Glasso Holdings (£10%) 41 Globe Invst, Trust (125) 42 Granada (282)
43 Grand Metropolitat (403)
44 Great Universal Stores (£10½)
45 Guardian Royal Exchange (773)

51 Imperial Chemical (\$10 1/s)
52 Jaguar (275)
53 Ladbroke (314)
54 Land Securities (440)
55 Lagal & General (249)
56 Lloyds Bank (233)
57 MEPC (429xd)
58 Marks & Spancer (177)
59 Maxwell Communications (205)

60 Midfand Benk (362) 61 Nat. West Bank (533) 62 Next (269) 63 P & O (479) 63 P & O (4/9) 64 Pearson (635) 65 Pilkington Bros. (197) 66 Pleasey (137xd) 67 Prudential Corp. (788) 68 Recal Elecs. (214/2) 69 Rank Organisation (511)

70 Rank Hovis (306) 71 Reckitt & Colman (748) 72 Redland (389xd) 73 Reed (369) 74 Reuters (417) 75 Rio Tinto Zinc (323) 76 Rolls Royce (105) 77 Rothmans (373xd) 78 Rowntree (400) 79 Royal Bank Scotland (323)

80 Royal Insurance (373) 80 Royal Insurance (3/3) 81 Sainsbury (222xd) 82 Sears (148½) 83 Sedgwick (189) 84 Shell Transport (985) 85 Smith & Naphew (135) 86 Standard Chartered Bank (483) 87 Standard Tel. & Cables (210) 88 Strandard Tel. & Cables (210) 88 Storehouse (240) 89 Sun Alliance (770)

90 TSB (107) -91 Tarmac (208) 92 Tesco (151) 93 Thorn EMI (552)

Cazenove picks right options

BERNARD CAZENOVE is not a man to prevaricate. "We left the money on deposit for 15 minutes. Then we got the

rife out and started to shoot."

It was a good decision. After four weeks of dealings in the Great Investment Race, City stockbroker Cazenove is second from the top, having boosted its initial £55,000 stake to £67,386.

The contest pits nine teams of fund managers against the market - and each

other - for one year, the aim being to make as much money as possible, all for charity. The first race, which ended just 26 days short of October 19, raised £779,856. This year, of course, is somewhat different - the bulls now long gone, leaving a thin nervous market.
Cazenove has made its money on traded options, a tactic it will stick with

"for as long as the market remains vola-tile," having chalked up a £5,000 profit on P&O options and £7,000 on Grand on P&O options and \$7,000 on Grand Met.

"It is the only way to build up a base for the future," says Bernard Cazenove.

"We are not trying to run a normal portfolio. We are trying to rifle-shoot on particular opportunities that come up." Cazenove has just \$4,164 in cash.

The overall leader four weeks into the race is the Prudential, which has streaked ahead to \$84,185, mainly by heavy trading in equity futures con-

heavy trading in equity futures con-tracts. The Pru topped the poll last year, making £381,229, and its policy this time round will be much the same, says Trevor Pullen. "Establish a base portfolio, then trade futures contracts day-to-day to build up capital and re-in-

Short-term, the market is very volatile. Investor semiment can turn on a sixpence." The Pru has £52,310 in cash. Nommra and Daiwa, the two biggest Tokyo securities houses, are fighting a bit of a race within a race to outdo the other being equally as important as the

Patrick Lichfield

BUSINESS Expansion Schemes often have difficulty getting the public's attention, compet-ing as they do with quoted com-

Rovals

make

very little between them, Nomura lying in third place with £60,923 and Daiwa

in fourth with £59,111.

Nomura's policy is to invest totally in
Japan, and so far it has bought just one stock, Kawasaki Steel. On a day-to-day basis we haven't done much, with the holidaya and because we're not too excited by the market, which is a bit

quiet," says Andrew Jacobs.

Where Nomura has made its money is on currency fluctuations, having put all its money into yen. The cash position is now £47,120, and Nomura is happy to hold the money for the moment, says Jacobs, as the market is very clouded.

Fiona Thompson looks at one team that is

shooting towards the top

Daiwa's position is reversed, having just £3,394 in cash. "We're invested up to the hilt in Japanese equity war-rants," says Caroline Dale, "but it's very inactive at the moment."

inactive at the moment."

Capital House, the investment management arm of the Royal Bank of Scotland, is number five in the race, with £56,926. David Kidd says he is very cautious about the market, "hence the high level of cash — £36,727," but he will go in and out quickly.

Kidd is very confident about gold, and, in spite of making a bit of a loss on an Australian mining share. Metana

and, in spite of making a bit of a loss of an Australian mining share, Metana Minerals, says he might even buy more. Hoare Govett, part of the Californian bank Security Pacific, is lying in sixth position with £56,548. "We didn't do anything for the first two or three wasks," says Peter Clark, "as there was weeks," says Peter Clark, "as there was erra nothing particularly attractive." So far the team has bought only two shares yet.

Telephone Rentals and Meyer International - and is holding on to them. Its cash position is £17,498.

"We would like to trade more aggressively but the market is so unsettled at the moment that we have decided to keep our heads down," Clark adds.

keep our heads down, "Clark acos.
Henderson, the independent fund
management group, is also taking a
careful line. "Caution is our watchword," says Claire Novak. Placed seventh with \$55,811, its cash element is
\$39,151. "We have invested in things
we want to hold for a long time and we
have been in and out of the long gilt

futures market.
"We have put our toe in and made a couple of profits. But we will continue to be happy with strong cash in a nervous market. We've got lots of fire-power still."

Bell Lawrie, the Edinburgh stockbrok-

Beil Lawrie, the Edinburgh stockbroking firm, has most of its \$55,578 invested, with just \$11,155 in cash. Lying in eighth place, Bell has put its money in UK companies and one or two traded options, and says: "We have a number of holdings that we expect to keep for the year, but about 25 per cent of our portfolio is more speculative."

Enskild Securities, the London-based Environs in prestment hanking sum of

European investment banking arm of Skandinavska Enskilda, Scandinavska biggest bank, has quite a challenge before it. Not only is it bottom – it has also lost money, having dropped below the starting stake to \$52,269.

English has gone for a Continental approach, buying and selling UK and Scandinavian traded options. "We lost on call options in the London index and the Swedish index," says Diana Barran. It might be bottom now but two weeks ago Enskilda was fourth and next week it could have bounced back. In these erratic markets, who is to know? There is only one certainty - it's early days

provided because of the volume involved. However, you can assume that once your cheque has been cashed by Charity Projects, you are entered in the Readers' Race. Closing date for all entries is January 31 bnt your contributions will be present on an energy of the contributions will be present on an energy. 93 Thom EM (552) 94 Trafelgar House (299xd) 95 Trusthouse Forts (199) 96 United Biscuits Hidga (255) 97 United Biscuits Hidga (255) 98 Wellcome (377) 99 Whitbread & Co 9274) 100Woolworth Hidgs (251) tions will be passed on as soon as possible by Charity Projects to belp the selected charities. Full details of how your money is being used will be published 46 Guinness (274) 47 Hammerson properties (440) 48 Hanson Trust (121½) 49 Hawker Siddeley (410) 50 Hillsdown (250) John Edwards below, put your estimates of Expert advice on the Stockmarket-

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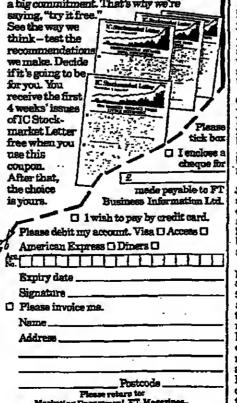
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panies, unit trusts and other forms of investment.

However, Lachmead Group is likely to have few problems gaining all the publicity it wants. The magic ingredient is not one, but two, Royal connec-Lachmead'e chairman ie Lachmead'e chairman ie Royal photographer Patrick Lichfield, or, as the prospectus more fully describes him, the Et Hon Thomas Patrick John Anson, Earl of Lichfield. A non-executive director is Vis-count Linley, Princess Mar-garet'e son and the Queen's nephew.

It makes for a rather more You can save £30 on the full year's glamorous set of directors than the average BES board. The project they are promoting, with the backing of sponsor Guidehouse Securities, is a chain of restaurants called 4 ISSUES FREE chain of restsurants called "Deals".

Deals will be offering meals at middle-range prices, \$8 for lunch and \$14 for dinner being the anticipated average spend per head. The idea is that there are relatively few restaurants where couples can enjoy a reasonably-priced meal in attractive surroundings. At a time like this, you don't want to make a big commitment. That's why we're tive surroundings.
The first Deals will open in Cheisea Harbour in March and will have space for 175 diners. Lachmead also owns a Chinese restaurant, Tai Pan, etsablished by Lichfield and Edward Lim in 1979. Mr Lim will be responsi-

ble for the day-to-day management of the restaurants. Lacturead is seeking to raise \$2.3m viz an offer of 2.3m shares, 54 per cent of the equity, at £1 each. The minimum subscription of \$300,000 is being underwritten, so the business will definitely go shead shead.

While the idea of a middle while the idea of a middle-priced restaurant such as Deals seems plausible, inveators should not automatically assume that the Royal connec-tion will ensure that the money rolls in. Patrick Lichfield and Edward Lin were for two years directors of Pier 31, a restau-rant which went into receiver. rant which went into receiver-ship in April 1986. And Tai Pan last year made a modest profit of £30,000 on its £450,000

The Lachmend offer will be open until February 16 and the minimum application is for 1,000 shares.

Philip Coggan

Unit trusts/Christine Stopp Dismal in Europe

ear as bad as 1987, he says

that 'a lot of European compa-

nies face difficulties in a low-dollar environment, which may

continue to make it hard for Europe in 1988."

..The Dumenil/EBC takeover was valued at 5 per cent of EBC'e funds under management, or \$1.25m, assuming total funds of \$25m. Christo-

Dumenil with effect from Janu-

There is a good deal of logic behind the takeover. Dumenil and EBC conducted strikingly similar operations, both specialising in single-country European funds. The groups came into being within weeks of each other in early 1986. Though both names were unknown to the UK private investor, EBC managed to schieve funds about European markets in under management of around \$40m at its peak last year, and

Dumenil over £80m. The crash has natu as nata its tell. EBC, prior to the takeover, was managing some \$25m, compared to \$50m-plus at Dumenil

Both groups suffered from dismal European markets throughout 1987, though the EBC operation was apparently still profitable. Performance has not been inspiring, with the European trust of beth from the formal of the formal profit of the for has not been inspiring, with the European trusts of both groups total funds of \$25m. Christoslightly below the sector average over six months to January ing director, says that his companily approached EBC, pean trusts averaged a loss of pany approached EBC, pean trusts averaged a loss of nearly 33 per cent over that such similar funds offered period, compared to fust over \$5cope for consolidation. The 32 per cent for the sector as a new group could give "a more whole.

Over all both groups' European trusts, the best results for this period was a loss of 15.4 per cent from the EBC Amro Mediterranean Growth trust. Mediterranean Growth trust. EBC'e UK Growth trust was above average over the same six months, with £100 sinking to £77.20, compared to the sector average of £70.20, and a mere £58.70 from Dumenil'a UK fund.

What happens to one's trust when it changes management?

when it changes management?
In this case, the actual managers of some of the funds will not change. Keith Miles, the EBC UK fund manager, will move over to the new opera-tion, the funds which are duplicated between the two groups will be merged and those which are special to EBC will continue to be run by the local managers in the countries concerned.

The takeover should be less

disruptive than many to the management of the trusts. EBC management of the trusts. EBC
Auro are not just saying goodbye to their operation; they are
taking a 12.5 per cent stake in
the combined operation and
will have two directors on the
board, including investment
director Hein Coolen.
Given that they have made
known in the unit trust industry an otherwise unheard-of
foreign name, have brought in

foreign name, have brought in funds under management running into tens of millions, and remained bouyant in spite of a terrible year for European markets, rounded off by the October crash, one is tempted to wonder why EBC Amro should now throw in the towel. Hein Coolen is giving nothing

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THE YEAR 1988 will undoubtatedly be the year of the takeover among unit trust management the way things were going. We group a rection their trusts moving to a new group are those of EBC combine resources." Coolen also trusts have been bought by The company's eight trusts have been bought by The cossful in exploiting the niche unit holders can move when tion, he says the bias will remain Enropean for the fore-"I would say we were very suc-cessful in exploiting the niche in the market place." a need for trusts into which unit holders can move when European market conditions are He also denies that the crash difficult

propelled the group into the deal, though he admits that "a lot of people are facing an uphill fight at the moment. The crash was a setback, but it will be temporary. The moderning Fawcett's confidence for the future of his enlarged management group is based on long-term optimism about European markets. He feels British investors are generally underweight in continental Europe. trend is very much in favour of collective investment schemes." Perhaps Coolen'a comment both relative to market capitalisation and because European markets have low market capi-talisations relative to their own 1988 provides a clue to the reasons for the deal. Though it

domestic economies.

Europe is the UK's largest trading partner. Growing links may be hard to imagine another between ourselves and the rest of Europe and growing market capitalisations in individual countries mean that the British investor should be "on weight" in these funds.

Given the nature of the single-country funds, this must be advice more appropriate for the large, diversified portfolio than for the investor with only a few thousand pounds to put into unit trusts. As a risk investment for 1988, Fawcett continues to see attractions in the Mediterranan markets. Mediterranean markets. because they are not so dollar-sensitive as the rest.

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· FINANCE & THE FAMILY ·

Zoning in on tax relief

Paul Cheeseright on two enterprising schemes in property investment to help higher-rate taxpayers

THE NEW Year can be relied on for two things: first, am ava-lanche of travel advertising and, second, the launch of tax relief schemes for high-rate payers. This week, two new schemes of syndicated properly investment have been put on the market in anticipation of the end of the financial year. The idea is to take advantage

of the relief that can be granted through direct ownership of commercial property in the enterprise zones scattered up and down the country. There are 25 designated by the Government to stimulate economic growth, including part of the London Tocklands. London Docklands

The two schemes are the 6th London and Edinburgh Trust,

London and Edinburgh Trust, the property company, is a significant shareholder; and the Laser 1988 Trust from Colegrave Johnson Fry, the financal large chunk of the investional services group. Laser is the acronym for Loudou and South-East Enterprise Zone prospects - after all, no tenant equals no rental income.

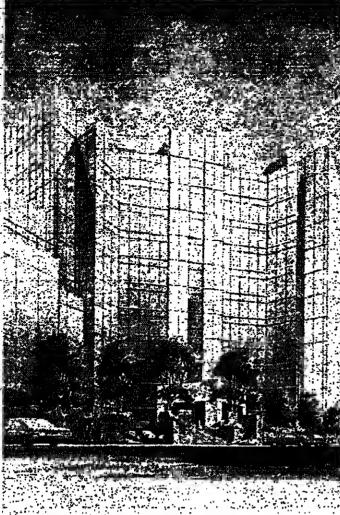
Both are Unanthorised Unit. The central investment of Pet Trusts - that is, they are not 6 is 3 Harbour Exchange, a authorised under the Prevention of Frand (Investments) Act 1958 so they do not have the safegnards an investor would have when putting money into an authorised trust.

Each works similarly on the bought in other euterprise will be sais that a commercial property investment can be made without significant net outlay. Isle of Dogs with Harbour investment of \$28m.

Laser is also starting on the receptive from Berkley House. Further investment of \$28m.

Colegrave Johnson Fry says it has sold or arranged the sale of 100 per cent capital allows and the practical allows and the practical allows and the practical allows and ance is more likely to be 95 per cent). For a high-rate taxpaver porise 20ne ou the Medway. ance is more likely to be 95 per Ghatham Maritime, the enterment. For a high-rate taxpayer prise zone ou the Medway, the trust units and, if they are say, 60 per cent – there where the naval dockyards sold within 25 years, they could would be \$5,700 on an invest, used to be. cent). For a high-rate taxpayer prise zone on the Medway, say, 60 per cent – there where the naval dockyards would be \$5,700 on an invest, used to be, ment of \$10,000. The balance — The actual yields from such can be borrowed – Pet 6 and investments, after taking into Laser can arrange that – and account tax relief, would have to be refunded. So, anybody seeking also attract tax relief, can be tus of the investor but would a quick in-and-out investment bad better look elsewhere.

The variation comes with the



Property Enterprise Trust (Pet 6) from Butland Trust, in which The Pet 6 central investment at 3 Harbour Exchange

A STATE OF THE STA

THERE ARE, doubtless, readers who

dream of chucking in the 8.10 am from Surbiton and moving to the countryside to run a small, friendly hotel. Many are called - but few make money. The hotel market is uncertain, subject to the irrational fears and whims of tourists and the recession-sensitive nature of businessmen's wallets.

Nevertheless, pleuty of hotel groups have been attracted to the Business Expansion Scheme to raise money, with 18 issues since 1983. Perhaps the explanation is, as Johnson Fry says, "Investors...can understand and sample the product."

This year, the investor looks like having plenty of opportunity to do so. Johnson Fry is raising up to £4.5m for County Resort Hotels, while Capital Ventures is seeking to raise £8m for the Ashford Interna-tional Hotel. These are ambitious sums. Most earlier hotel issues have sought below £3m and have often

been undersubscribed. *Until the 1986 budget, hotel issues were very common, but they have dried up somewhat since,* says Mr Stephen Bowe of BES research. This may be due to the 50 per cent asset ing that only 50 per cent of a BES company's assets should be in land and buildings. BES hotel companies have dealt with the rule by leasing

TRADITIONAL life companies

this winter have been allowed to display to considerable effect

to display to considerable effect the different philosophies on bonus distributions adopted by themselves and their appointed actuaries. Last October's stock

did very nicely, getting the full benefit of the bull market. Those who cashed in at the

ment is about.

With-profits contracts are different. There is a significant smoothing of the ups and downs of the market by the

actuary, as well as a strong guaranteed element - reversion-

are guaranteed.
Indeed, reversionary bonuses

New rooms to let

Heather Farmbrough reports on two ambitious BES issues in the hotel industry

assets rather than buying freehold properties.

The thinking behind the rule was that too many BES issues were oversafe and too sure - which is ironic

given the unpredictable nature of the hotel trade and its variations in per-One of the successes to date is Resort Hotels, a three-year-old BES company run by Mr Robert Feld, which intends to seek a quotation on the USM in March. Resort currently

owns two hotels and a restaurant and manages five other hotels.

County Resort will be managed by Resort. County is a clone issue to last year's Country Resort, which raised \$1.7m under BES last year. Country is itself a spin-off from Coastal Resort which was also funded

through a BES issue in 1986. Like Country Resorts, County will operate three-star hotels in the south of England. The management of the two companies will be the same; the only difference will be location.

"We will be operating in the three-

star market outside the areas which are subject to fluctuations in tourist and business trades," claims Mr Feld.

mercial people and weekend breaks." County's prospectus indicates poten-tial margins of 10 per cent by 1991, and possible pre-tax profits of £184,000, assuming a minimum subscription of \$1m and two 40-45 bedroom hotels in operation.

If it raises \$3m, County believes it could perhaps make as much as £414,000 with an 11.3 per cent margin. Bullish talk, indeed. The management has no incentive shares and Mr Feld is not receiving a salary. However, he is a substantial shareholder in Resort Hotels, which is subscribing £100,000 for the issue and taking a management fee of 3 per cent of the sum of both profits and sales, which he says is well below the industry

The strongest clue to the likely suc cess of this company lies with the successful record to date of County Resort. Similarly, the attraction Ashford International Hotel lies in the three-year management contract with Queens' Moat Houses, the quoted company with 115 hotels. Ashford's five directors are all

familiar with the hotel industry and

include the current finance director of QMH, David Hersey, and Martin Marcus, QMH'S deputy chairman. Mr Dennis Fredjohn, chairman of Ash-ford, is also the chairman of Capital

Ashford intends to build and operate a 200 bedroom hotel which will be built just north of the Kentish town in a prominent location along-side the M20 at Junction 9. It may not be the world's quietest hotel, but, as the press release says, Ashford is the gateway to continental Europe and only 20 minutes drive from the Channel Tunnel terminal for car pas-

Ashford has indicated that it could make pre-tax profits of about £590,000 in year three, 1990, and margins of 8.7 per cent, which seem a little more realistic than the higher figure suggested by County. It has assumed a 70 per cent occupancy rate, an opening date of early 1990 and a maximum subscription. Should the minimum subscription of \$4.5m only be raised, QMH will invest \$4.5m through the issue of convert-

ible preference shares.
What happens if the Channel Tunnel is never built? The company's answer is that Ashford's excellent access to London and Dover has already earned it the status of Kent's growth town. That means lots of high-spending business travellers

Eric Short on life companies' distribution deals

Bonus policies on display

terminal bonuses added at the end of the term. These are intended to reflect unrealised capital appreciation in the underlying equity and property investments and, as such, should vary with the swings of the market. This is where the actuary applies the smoothing process, which varies in degree and in the period of market fluctuation which it covers.

Some actuaries apply the Smoothing terminal bonus rates win bave to demonstrate to intermediaries that the cuts are being made from strength, to ensure the fair distribution of profits, and not from weakness. They are, indeed, giving quite detailed explanations as to the reasons with, as well as assurances on which can be sold to the independent intermediary.

However, following this policy, those investors whose completely discarding the icy, there is a the cuts are i with equity-based, unit—linked savings plans, the investor rides out the market movements to the full. When the market was riding high dur-ing the summer of 1987, inves-tors cashing-in their contracts end of October or later in the year paid the full penalty of the drop in equity prices – but that is what unit-linked invest-

markets are high and cut back when markets are lower. Hence, the cut in terminal bonuses and lower pay-outs wblch are

occurring now.

These companies will bave to demonstrate to intermediaries

requiring them to put up the rates again in the near future. Their marketing directors, and the market itself, may well ask Norwich Union feel these pro-fessions are a "super-safe" group with a low claims experi-ence and therefore qualify for a why, if the life company is financially strong rates should be cut only to be restored

shortly afterwards.
One lessou is being learnt by intermediaries, if they did not know it already. With-profits contracts vary considerably between companies. These con-tracts are not clones of each other and the market is far

from homogeneous.
Intermediaries need to understand the philosophy of each traditional company, reflected in the degree of smoothing and stability attached to its bonus declarations.

PROFESSIONS OFFERED PHI DISCOUNT

NORWICH UNION Insurance, a for the discount are: leading company in the PHI (Permanent Health Insurance)

ary bonuses already declared during the term of the contract market, is offering a 20 per cent discount on its premiums for this class of business in respect of nine professions.
This move to reduce premiums comes at a time when there

reflect the investment income and realised capital apprecia-tion in the portfolio and promiums, particularly on group schemes. The reason is poor claims experience, in an atmo-sphere clouded by warnings of massive premium increases because of the likely effect of Aids, short a period as poss
The nine professions eligible lowing illness or injury.

- Chartered Accountants Architects Barristers
- DoctorsOpthalologists
- Pathologists Solicitors Surgeons.
- The people in these professions likely to take out PHI contracts would be mainly self-employed and thus have good reasons to be off work for as the profession of the people of the peop short a period as possible fol-

among insurance companies to increase their market share without leaving themselves exposed to higher numbers of claims by going after the lower

lower premium rate. The move represents an underlying trend

Proposers will have to answer a specific question on Aids in a similar form to that ou proposals for life and endowment contracts.

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Key Points

- The Group will initially operate two restaurants, "Deals" at Chelsea Harbour and "Tai Pan" in Knightsbridge.
- The Directors between them have wide experience in the restaurant and leisure industries and include THE EARL OF LICHFIELD, EDWARD LIM, TOBY PARKER, CHRISTIAN HOYER MILLAR and VISCOUNT LINLEY.
- Initial share capital of £380,000 has already been raised from certain Directors and other investors.
- The minimum subscription of £800,000 has been underwritten.
- The availability of substantial cash resources as a result of the Offer should enable the Company to acquire further restaurants and/or sites on favourable
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FINANCIAL TIMES CONFERENCES

CARLETELEVISION AND SATELLITE BEOADCASTING

· FINANCE & THE FAMILY ·

Specialist advisers may hold the key to investment, says William Cochrane

Squeezing more from gilts

fallen and may decline further, so it is not so easy for pension-ers on a limited income to use that route to protect their exist-ing capital and get a high

when it comes to excitement, stock market investors may have had a besinful in the past year; after Black Monday, which heralded a 25 to 30 per cent drop in the value of ordinary shares, this route to capital gains is at least question-

Some investors have, historically, relied on taking capital gains once a year within the tax-free threshold of £6,600 as a means of supplementing the income. a means of supplementing their income. However, if they did that now, they would be eating into their capital, rather than seeking a return from capital

So gilts have come more hroadly into consideration in the personal finance market. Investment in gilt-edged stocks is the foundation stone of professional investment policy and the way insurance companies cover their basic liabilities, but it is also perceived in Throg-morton Street as a difficult, or ndeed a boring, proposition for Specialist advisers may have the answer. Operating from

The company has recently established a link with the National Westminster and Midland Banks, which are now offering the plan to investors through their financial and investment branches using PM through their financial and investment branches, using PM & W to administer the schemes. Its managing director, Alan Mackey, says that the PM & W plan offers any number of alternatives between a fixed rate of tax-free income, plus the return of the original capital investment after ten years, with the real prospect of some growth, or investment strictly for capital growth, with no income at all. In general terms, he says, the

In general terms, he says, the plan can be geared to produce straight income; escalating income; deferred income; capi-

income; deferred income; Capital growth or any permutation of these.

"The skill is in the precise construction of the plan, individually tailored to investors' requirements," he said. "It originally took 17 pages of calculations to get at the precise formula for the combination of gilts and endowment policies' we use, but now a computer can we use, but now a computer can produce this in a minute, so accurately that we can provide to the nearest panny for a higher-rate tax liability."

For the straight income ver-

HOW TO get more out of gilt-edged investments is a guestion which is exercising many minds these days. More exciting, or more familiar, options are less attractive than they used to be.

At the familiar end, building society interest rates have fallen and may decline further.

London's West End and Epsom, sions of the plan, the back-up sendowment policies, underwritten by names such as Norwich union and Friends' Provident, are geared to provide at least the return of the investor's caption of a gilt plan which has been operating now for some 12 bulk of the money is invested in nine gilt-edged stocks, one of which will mature during each ital, free of tax. Meanwhile, the bulk of the money is invested in nine giltedged stocks, one of which will mature during each year of the plan, adding an element of capital profit, to be distributed tax-free.

That, says Mr Mackay, allows basic rate taxpayers to look forward to a net yield of 7.7 per cent, or 6.8 per cent in the case of a 50 per cent tax payer. The return eases to 6.7 per cent at a 60 per cent rate.

In pursuit of capital growth, he says, the plan takes all the

In pursuit of capital growth, he says, the plan takes all the income and redemption gains on the stocks and puts them into an endowment premium geared to produce a "handsome" tax- free growth rate by Whittingdale are maturity.

After ten years the investor has the option to leave the accumulated espital with his chosen life office and occasionally to draw upon it, or the special bonuses which it will attract.

Minimum investment in the gilts plan is £10,000. The bulk of that capital, the investment in gilts, will remain in the hands of the owner. PM & W make an initial charge of 2 per cent of the investment, up to a maximum of \$650, to cover costs, general administration

* 129 Mount Street, London W1X 9DD. Tel: 01 491 3700

Capital Gains on Falling Interest Rates Capital Approx. Convertible Long term price (Treasury 8% 1990 £420 £98 £2,300 £420 £121 £3,600 £134 £420 £420 £5,200 £150

An each-way bet

recommending an "each-way bet" in the gilts market, in the shape of the S per cent Treasury Convertible 1980

insued by the Government shortly before Christmas. The stock offers holders the option to convert into a longer term gilt - 8½ per cent Treasury 2007 - within the next seven months. Patrick Whittingdale, chairman of the fund

managers, says long-term gilts have exceptional tential for capital growth in the event of an economic siump and a fall in interest rates. But if inflation comes back into prospect, they will look shaky.

"In a shamp," he says,

"interest rates fall and the
price of long-term glits will
rise, as the interest they offer
looks increasingly
attractive." The effect of this
on the convertible, priced
at \$38 (\$50 paid) - with the
second instalment of \$48 due
on Japany 27 - is on January 27 - is demonstrated in the

accompanying table.

"Long gilts – with redemption dates at the beginning of the next century - are better performers than 'shorts'," says Mr Whittingdale. "But if rates rise, longs tend to suffer, while shorts hold their value better."

Eric Short follows a Rainbow

Arc across the world

THE RAINBOW now covers the world. Leading insurance company Eagle Star, a member of the BAT group, is extending its Rainbow concept of investment contract.

violet for "no risk" to red for -depth investment management

the highest.

Under this concept, the investor selects the level of risk and justification is a top investment, the Eagle Star investment team performance.

Performance medium-risk February, andthe Adventurous high-risk. Eagle Star International has this new offshore bond. Eagling, 40 miles west of Lon-

currency risk as well as an intermediaries and near Heath-investment risk – but Eagle row airport. It also has over-Star was a pioneer in this field seas offices at Athens, Bahrain,

Contracts can be designated Rainbow concept of investment reward/risk to its offshore in sterling, dollars or the company stablished in the Isle of Man, is launching its first unit-linked contract the Rainbow concept of investment reward/risk to its offshore in sterling, dollars or the company called the pany's own currency called the currencies partly to be nearer clients and mixed basket of currencies partly to segregate their using the following formula on shore and offshore unit-linked contract the Rainbow concept of investment in sterling, dollars or the company called the experience and branches overseas — partly to segregate their using the following formula on shore and offshore and offshore contract the Rainbow concept of investment in sterling, dollars or the company offices and branches overseas — partly to be nearer clients and offshore and offshore contract the Rainbow concept of investment in sterling, dollars or the company offices and branches overseas — partly to be nearer clients and offshore and offs bow Bond - on March I. Other Eagles spreads the currency linked contracts under the risk and has proved popular Rainbow title are scheduled to with expatriate investors.

The charges on the bond are 7 per cent initial bid/offer spread Follow.

Eagle Star was a pioneer among life companies and unit rust groups in providing investors with a choice of investment funds based on the underlying risk. The company uses the colours of the rainbow for Eagle Star International justifies it cassification ranging from the provider for "no risk" to red for edepth investment management.

Offshore contracts carry a don - convenient for UK-based Man is going to be on bonds.

row airport. It also has over-seas offices at Athens, Bahrain, Gibraltar and Hong Kong. Intermediaries dealing with expairiates are now setting up offices and branches overseas—

vices Act.
When this comes into operation, probably at the end of
April, such funds cannot be
marketed in the UK unless they

are designated by one of the routes available. routes available.

The Isle of Man is seeking to be classified as a designated country by the Department of Trade and industry; in which case all funds issued by companies based on the island would automatically be marketable in Britain.

The island effectively has mation for insurdoes the rest.

On life contracts, four funds

Solution of the secure noare available: the Secure norisk; the Blue Chip low-risk; the this month and 1 per cent in,

Description of the secure of the secure in the UK.

The contracts of the secure in the UK.

The secure is a companies established there is a companies established the companies established there

cent in value over the year. However, it was also one of the

However, if was also one of the most expensive PEP schemes, so this year the charges have been lowered. For the 1988 plans the initial charge for existing holders goes down from five to three per cent and to four per cent for new plans from joint applicants or existing F3 unit trust investors.

More significantly the amus

management charge is being reduced from a hefty 2.4 per cent to 1.5 per cent of the fund value. Minimum investment is

other products in the UK.

Designation for unit trust contracts is by no means as far. advanced, so the emphasis for companies based in the Isle of

Taxman does an about-turn

Richard Waters thinks home-buyers should think about ways of

ANYONE buying a house is possible to prove that the should think carefully about two are not part of a "package ways of escaping stamp duty, deal." An oral agreement counts currently set at 1 per cent of as a contract, so purchasers the purchase price. Depending should be careful about promison how the purchase is structured, this duty can be reduced land has been bought.

value. Minimum investment is now £1,000 with increases of £250 allowed throughout the year up to the maximum of £250. This year you will be able to select one more F3 unit trust within the plan, and switch between them later, or opt for no unit trust holding at all. You also will have the choice of whether to receive the annual report and accounts for companies which hold shares in

that there is a single bargain for the sale of a completed house is a puckage deal" and stamp duty must be paid on the full amount. This means in effect that to avoid duty the contract for the house must be signed ofter the avoiding stamp duty

or even avoided altogether — Alternatively, a builder other though around 400 buyers have than the one who sells the land

though around 400 buyers have than the one who sells the land just found to their cost that the can be used to build the house. Inland Revenue does not give in this case, it does not matter up the duty easily.

With proper planning, duty is signed before the land has been charged only on the value of bought. However, there may be some bined value of the house and unforeseen tax liabilities. For land. This only applies in cases where the house has not been can be more costly than buying built, or is partially built, at the time the purchase is arranged.

where the house has not been can be more costly than buying built, or is partially built, at the time the purchase is arranged.

Stamp duty is not payable on purchases of less than £30,000, fittings in a house built specially attract is per cent VAT. Also, builders face a capital capital whatever the combined value gains tax charge on any undeveloped land and house.

However, a number of land is sold with a house schemes developed by builders to help purchasers avoid stamp duty are no longer effective. In a remarkable about-turn over land and house separately is to Christmas, the Inland Revenue find a builder who will accept a outlawed many of these part exchange for a new house. arrangements, including ones it if the new house costs had specifically approved in £100,000 and the old one is the past. In the process, 400 worth £60,000, stamp duty is purchasers who had every right to think they would not have to pay stamp duty mow face unexpected bills.

Schemes to avoid paying tax will in future only work if the were given the wrong advice by the Revenue, if the two deals are so interlocked that the purchaser they will consider cases where can only take possession of the land and building price have both been paid, little option but to pay up.

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Listing for the bonds has been granted by the Council of The Stock Exchange. Listing Particulars in relation to Nationwide Anglia Building Society are available in the Extel Statistical Services. Copies may be collected from Companies Announcements Office, P.O. Box No. 119, The Stock Exchange, London EC2P 2BT until 19th January, 1988 and until 1st February, 1988 from:-

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16th January, 1988

CIVIL AVIATION IN THE PACIFIC RASIN

The Pacific Basin, civil aviation's fistest growing air transport areas, is the subject of the Financial Times conference to be held in Singapore on 25 and 26 January 1988. The sapid growth in the region is abready imposing strains upon the airlines, surports and the aviation infrastructure overall. It will generate a massive demand for new aircraft and the money with which to buy them for many years to come. The aim of this '88 conference is to define thes problems and indicate possible developments and solutions.

Contributors to the defaute include Dr Change Choong Kong, Singapore Airlines, Mr Mitsundri Kawang, Japan Air Lines, Mr Frederick Bradley, Jr, Senior Vice President of Citibank NA, Mr Michael Jones, Director of the Hongloong Bank Grosp, Mr Horst Poblanas, Vice President of Paut & Whitney and Mr Sydney Gillibrand, Managing Director of British Acrospace. The conference has been timed to precede the Asian Aerospace '88 Exhibition, which will be held at Singapore Changi Airport, 27-31 January.

THE FT CITY SEMINAR

The Financial Times City Seminars have been way successful and 11, 12 & 15 February 1988 are the dates for the sixth intelling on the changing structure of the City of London. The agenda includes discussion of the major markets, players and developments in the business environment. An assessment of how the City winkstood the storms of recent weeks will be included.

Mr Win Bishoff of Schroders returns to the platform as opening speaker and among the other contributors on this occasion are Mr John Matthews of County Nat West Ltd, Mr Robert Gry of N M Rotinchilds, Mrs Francesca Edwards of Morgan Guarantice Ltd, Mr John Athm of Chibank, Mr David Suratgar of Morgan Grenfell, Mr Peter Rawlins of R W Sumps and Mr George Nissea Ltd, Mr John Athm of Chibank, Mr David Suratgar of Morgan Grenfell, Mr Peter Rawlins of R W Sumps and Mr George Nissea Ltd, Mr John Association. Mr Mare Lee, Financial Times Conference Advisor, is to chair and the Rt Hon John Smith MP, Opposition Treasury Spokesman and Mr J A Donaldson, formerty of ICI, are two of the non-city speakers who will be addressing the seminar. This programme is particularly satisfale for company training schemes and the Conference Organisation will be pleased to discuss black bookings.

The Financial Times with conference on Cable Television and Setellite Broadcasting, to be held in London on 17 and 18 February, brings together speakers from the teals European Markets to review the forms of the new media at a critical tensing point in their declarations.

development.

The Ex Dougles Hand, CHE, MIP is to give the opening address and will speak as creating a breakcasting structure for the next
contany, Mr Michael Checkhand, Mr Authory Simondo-Gooding, Mr Richard Dann, M. Cyrlife Du Peloux and Mr Jorgen Dotx are
smong the distinguished panel of openium who will review the changes that are taking place in the whole media scare.

All enquiries should be addressed to: The Financial Times Conference Organisation, 2nd Floor, 126 Jerusyn Street, London SW1Y 4UJ. Tet: 01-925 2323 (24-bour naswering service) Talen: 27347 FT CONF G Fax: 01-925 2125

A winning formula

John Edwards looks at a successful **Personal Equity Plan** from Framlington

AGAINST THE odds, one of the most eoccessful Personal Equity Plans (PEP) has turned out to be the one launched by

Framlington.

So much so, it is using exactly the same unusual formula for its PEP 88 scheme, as for its 87 scheme, which managed to achieve a 15 per cent rise in the offer price last year in spite of the October collapse in the stock markets. Up to October 15 the offer price of the units had risen by 68.6 per cent since its launch on February 13.

The Framlington scheme is unusual because it has special

The Framilington scheme is unusual because it has special permission from the Department of Trade and Industry to wrap its PEP plan into a specially created unit trust. You pay a fixed annual subscription of \$420, the maximum amount under PEP regulations that can be put solely into unit trusts. The money of all subscribers is then pooled to deal in a portfolio of shares, selected and managed by a fund usuager.

To comply with the Chancellor's aim that PEPs should encourage more interest in share ownership, the Framling-

encourage more interest in attracted if the maximum limit share ownership, the Framling-was raised from £420 to the ton PEP unit trust has some £2,400 ceiling allowed under unusual features. It holds an conventional PEP schemes. Tim annual meeting for members Miller of Framlington has conand provides detailed reports on the companies in which it this point and is confident that invests. It also has provision the Chancellor will make some for a referendum or poll of unitholders to be held should a consensus be required on "conconsensus be required on "conget.

tentious issues" euch as Unless the Chancellor relents
whether or not to back a takeover bid for one of the comparemains but at least - unlike

John Cornes, the fund manager, took the unusual strategy stage for investors who want to for a PEP scheme of investing put in more than £420 or make for capital growth rather than income yield, in spite of the fact that makes you never control. Classical stages of control of the fact that makes you never control.

argues that this policy is likely to give a better return to long-term holders, but it also seems to have paid off well in the short term. He will adopt the same strategy for PEP 88 since the intention is to encour-age long-term investment in a fund which is limited in size by the ceiling of only £420.

PEP 87 is now closed to buyers. However any sellers before January I, 1989 will lose the January I, 1989 will lose the tax-free concessions, so it is hoped that there will be few redemptions and that the value will centinue to grow, although by the end of 1988 it will have to go to a bid price only basis. However, Framlington plans to merge into one big fund the separate annual PEP trusts once they have "matured" — i.e. the money has been retained until the end of the second year. The first merger of funds cannot

The trust has powers to get a good spread of shares for invest in all quoted companies even this very modest outlay on the London Stock Exchange, On the other hand you can only but is restricted to UK invest-take out one PEP scheme each year, so the Framlington scheme is not suitable at this

fact that unless you pay capital Glasgow also enjoyed quite a gains tax the main tax-free concession applies to income. He acheme, which gained 16.4 per-

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the modern guide to music

and U2.

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Why so few taxpayers?

disbelief that only 130,000 people paid capital gains tax in the last fiscal year. Surely, I reasoned, this should have read 1,300,000. Even the unluckiest "Sid" would have found £6,300 gains difficult not to exceed with the remarkable - real - rise in share values.

But no, it was not an aber-ration. The figure was seen again in another respectable investment chronicle - 120,000, the same chosen few!

Does an explanation lie out keep the gains from bursting side this list, viz L no one forth; 4, they've all lied on else has sold any shares to their tax forms; 5, capital treate a gain; 2, indexation taxes or the central statistihas been better than our wild cal office est dreams; 3. sons, daugh bler?



ters, canaries, cats and ham-sters have been conscripted to stuff their cheeks with mum's and dad's shares to cal office has thrown a wobments made on individuals (as-distinct from trustees) are derived from the booklet Inland Revenue Statistics, pub-lished by HMSO.

The likely explanations include: (a) The present CGT rules discourage sales of assets acquired before April 1982, and of those acquired later which have outstripped the index of retail prices. The rules have been redesigned to encourage the disposal of such assets by way of gift (to residents of the UK).

rather than by sale. (b) As the years go by, the proportion of the investing public which has learnt how to avoid the CGT pitfalls laid by parliament (e.g. by careful tim-

Our ioeal council does not

To what extent are we lia-

to what extent are we liable if accidents should occur to passers by or ourselves as a result of poor maintenance or acts of nature relating to the road and adjoining pathways. Would you advise an investigation of the road and so the road and adjoining pathways.

insurance cover if any liabil-ity does exist and if so what type and to what value would

You would be wise to effect insurance against liability to third parties. We cannot advise you as to the full extent or

value of cover required; but no doubt an insurance broker can be found to do this for you.

A home

for life

questrian traffic.

ing of loss-making sales and negligible-value claims) is rising steadily.

(c) Assessments are not made In all cases - taxpayers sometimes agree to inspectors' requests to be allowed to with-hold CGT liabilities from income tax refunds, without following the statutory requirements for assessment and col-

(d) The CGT rules have become so intricate and confus-ing that a number of investors of moderate means (unable to afford the rapidly rising cost of professional help with the time-consuming enculations required) are unaware that they have CGT limblitles to: report.

to her children with the same contribute to the upkeep but we pay reduced rates. The road is used regularly by vehicular, pedcetrian and type of arrangement between us, each permitting the surviving partner to retain posession until death.

Could you piease explain how inheritance tax is applied in such cases when the beneficiaries have to wait for an indefinite period to, so to speak, physically acquire

It would be more tax-efficient if your wife were to make a gift during her lifetime to you of s share (say 60 per cent) in the flat. She can saleguard her children's position by contracting with you for you to make a gift of that interest to her children under your will. By that means both your Inheritance Tax mil cash where there is a sizeable rate bands of \$90,000 can be IHT liability, thereby reducused in reduction of the tax bill which her children will have to bear, and a sale during your lifetime might he svoided.

Victim of the storm

The recent storm caused a The recent storm caused a large elm tree in my neighbour's garden immediately against the dividing fence to fall and demolish part of the fence, which I understand to be mine. Also its apturned roots lifted and broke the concrete path on my side of the fence.

Is my neighbour liable for the damage caused to the fen-ceand concrete? If so, does be have the work carried out or do I have the damage made good and submit the bill to him? I have no insurance policy to cover the damage.

Claim for tax relief

I was interested in your reply to a query, headlined "Inher-ited values," in Briefcase on November 28.

I was under the impression that, by virtue of Section 179 of the Inheritance Tax Act 1984, a claim could be made by an executor for the pro ceeds of quoted securities which are sold within a year of death to be treated as the value at date of death for value at date of death for inheritance tax purposes. Given the recent stock mar-ket falls, it would seem bene-ficial for executors to realise quoted share portfolios for cash where there is a sizeable

ing the IHT payable.

Admittedly, this reduces the probate value for capital gains tax purposes; but beneficiaries are not likely to be able to absorb losses arising which would be available to them if, alternatively, the shares were transferred to them in specie at probate value and subsequently sold. in our reply on November 28

we omitted to point out that, where there is a sale of shares within the 12 months immediately following the date of death, it is open to the person who is liable to pay the inheritance tax attributable to those shares to make a claim for relief under Section 178 of the Inheritance Tax Act 1984: in which case, the actual sale price will be subtracted from the valuation made as at the date of death and the amount so arrived-at will be allowed as a relief (i.e. in reduction of the inheritance tax payable.)



Please reply: Box H2966, encial Times, 10 Cannon Street, London EC4P 48Y and more. On sale now. MANAGEMENT EDUCATION AND

Publication date 22 March 1988 Copy Date 8 March 1988

TRAINING

The Financial Times proproses to publish this Survey on the above date.

A number of areas will be covered including:

* What is to be done about British Management?

* How do Managers actually think?

* How can "Intuitive" thinking be improved? * How are leaders developed and teams built?

Please address all inquiries or suggestions concerned with the editorial content of this Survey to the Surveys Editor.

Advertising information can be obtained from Jacqueline Keegan Tel 01-248 8000 extension 3740 or contact your usual Financial Times representative.

> **** **FINANCIAL TIMES** EUROPE'S BUSINESS NEWSPAPER

Details of Financial Times Surveys are subject to change at the discretion of the Editor.

MIR on new home

and now 60 years of age. Our house is valued at around £160,000 and only some £4,000 remains outstanding on the mortgage.

The state of the s

On retirement we probably would move to the New For-est area, which we visit quite a lot. Recently we put out feelers there for a flat in an existing small development and an opportunity to par-chase a property for about \$70,000 is now coming up.

The big question now is, if I pay off my existing small mortgage, can I obtain mort-gage interest relief on a new mortgage - say £30,000 for tax efficiency considerations - on the second property? I have often read of various circumstances where there is a need to nominate which of one of more properties is, for tax considerations, to be considered as the main residence, but I wonder whether this choice remains while mortgage interest relief is being enjoyed on one prop-

Although it is possible to choose which of two or more res-idences is one's main residence for the purposes of capital gains tax (and to change one's choice retrospectively, up to two years), by virtue of section i0i (5) (a) of the Capital Gains Tax Act 1979, there is no corresponding right of choice for the purposes of mortgage interest relief.

It looks, from the bare facts outlined, as though the New For-est flat would not actually

for its purchase, and conse-quently the answer to your big question is almost certainly no. Ask your tax inspector for the free explanatory booklet on the Tax Treatment of Interest Paid, IRII (1985). You may also like to ask for the pamphlet on the capital gains tax aspects, CGT4 (1983).

Taken on trust

On 24 October 1985 I investe 53,000 in a unit trust with units quoted at 100 pence each. The company now advises that an error was made and that the price per unit shares have been 1.20 pence, resulting in a considerably, lower number, of units being allocated. Is the company entitled to reduce the number of units which have been held for two years?

If the units were offered to you at 100 pence each and you accepted that offer, then the fund managers cannot now rely on their mistake to amend, alter or rectify the contract. You should insist that you are enti-tled to your full 3000 units and

Cover for

We are a residents associa tion about 20 years old con-sisting of the 14 house owners in a private road and undertaking the maintainence of a drained tarmacadam

Twenty years ago I married a widow, with three children and since then have lived in her flat. At that time the flat tled to your full 3000 units and should resist any attempt to alter that.

was worth about \$10,000 but is now valued at about \$200,000.

My wife has bequeathed the flat to her children in her will flat to her children in her will but with me to retain posses-sion for my lifetime. Her chil-dren have little means and if they became liable to pay inheritance tax on the death of my wife would be unable to do so without being able to sell the flat which I would not wish to sive up. wish to give up.

Similarly, regarding a week-end cottage which my wife and I jointly own, my wife has bequeathed her half share

Our investment philosophy as explained by Van Gogh's brother, Theo.

Van Gogh, throughout his short tortured life. was virtually ignored by the "best" critics of the day. One of the few men who recognised his strange genius was Theo, an art dealer who constantly fought for his brother's cause. (Theo, incidentally showed astonishing foresight when he selected "Irises" as one of the two paintings to be shown at a major exhibition). Recently, Van Cogh's "Irises" was sold for a record

£30,000,000, while "Sunflowers" fetched a mere £22,000.000. This story vividly illustrates our philosophy, which can best be described as "the principle of undiscovered value".

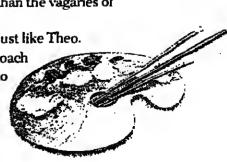
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Hamish Brown skis with a touch of Eastern promise - in Morocco

From the slopes to the souks

A LOOK OF incredulity is often the reaction when I tell people I am off to ski in Morocco. In popular imagination Morocco appears as a land of deserts and kasbahs, camels and kaf-tans – which it is – but it is much, much more. It is, simply, the nearest really exotic coun-Morocco is on another conti-

nent, has a mysterious history, is dominated by a different religious and folk tradition and is "heady, hot and hospitable." Yet it is no more difficult to reach (and often cheaper to visit) than many places in Europe. The High Atlas mountains, which rim the horizon south of Marrakech, have lured me healt regularly for a quarter. me back regularly for a quarter Morocco is a full history but of a century, to ski, climb. trek, birdwatch and generally to Morocco is the best of the explore the vastness of its colmany guide books available at ourful landscape and proud Berber peoples.

Marrakech in the spring is a city of vivid contrasts: mud walls which went up when King John was having trouble in the Wash, spacious gardens, teem-ing souks, thousands of palm tress and, beyond the Koutoubia minaret, the improbable silver line of the Atlas peaks which rise to 4,167 metres in Jbel Toubkal, highest in all North Africa. The very name Atlas has a ring to it. Here, beyond the Pillars of Hercules, in ancient mythology, earth and sky were held apart. When winter is kissed by spring it is one of the most beautiful places on

It is a place not to explore in a large, organised tour group, which isolates one from reality and leaves that common mer ory of identikit hotels, goldfish bowl exploration and much badgering by touts. Fortunately my first visit was for three months which took me beyond glib assessments to actually putting down roots. I have seen friends made then grow up; I've been to their weddings and dandled their kids on my knees. We are all made of the same dust and the same dreams.

When I was writing The

Since it is lunch-time go into

Be experience.

Dine that night in the Hotel

Just "being there."

Toubkal is a pile of rubble in

I dealt with Morocco much more thoronghly than with other countries (Corsica, Peru, Norway, Himalayas) and this was with the intention of per-haps beguiling readers to put feet to their dreams and make the Atlas a first walking adventure abroad. Rather than repeat what I've said there I'll just give some cameos, rather like always buy or borrow the book

The cheapest flights go to Agadir. Agadir is an anomaly: a jet-setting, package-holidaying, specially-built resort, which could be anywhere and I find it appalling. Agadir was very different when I first saw it, a barren waste with a few battered buildings in forlors isolatered buildings in forlorn isola-tion. There had been an earthquake and the population of 60,000 had been wiped out in minutes. It is testimony to Moroccan drive that the city has become an international centre since. Taroudant, inland, is the old capital of the Sous, and a gem of a place: surrounded by ramparts, usually sunny, with bustling souks and an absence of hassle. It is the Morocco of

the popular imagining.

A bus leaves Taroudant at 5 am and at dawn is tackling the 7.000 ft pull up to the Tizi n' Test pass, one of the few motor roads across the huge chain of mountains. You zig-zag right up to the snowline in a scrum of fields which can be smothered with almond blossom in the spring. Leave the bus at Asni.

Gavin Maxwell's Lords of the Atlas is a fascinating account of some recent history, and Shirley Kaye's Morocco is not only a photographic feast but pleasantly written. These are all in print. Neville Barbour's

> select around dish with a conical cover from those cooking on deliciously spiced stew (tagine) which you eat using right hand only. A round of bread helps mop it up.

tea, the sweet and energy-restoring national beverage. Other ing their own tea. It is all very leisurely and restful. You will spend well under 51 and maybe summits. It is a ferocious ascent a few tips to the wandering into ever-richer sceoery as you follow fish scale-bright rivers through forests and terraced it is a man's world and few fields which can be a second as a man's world and few fields which can be a second as a few tips to the wandering the locals, not you. women are involved with trading. The market is the centre of local life and is an unforgetta-

a morning and you can be in Marrakech that same night, banqueting in the Medina while

snake charmers, tumblers and belly dancers give a floor show that is rather different from

The best of Atlas enjoyment, I think, lies in that useful Ameri-

can word "backpacking": walk-ing through the peaks for days on end, sleeping out under the brittle stars or in Berber vil-

lages, traversing passes, descending great gorges or fol-lowing mountain crests. The colours are kaleidoscopic, turn-

ing in sharp primary colours of red soil, green cultivation, white snow and bine sky. If you

sort of trekking in a pleasantly

any Blackpool counterpart.

The High Atlas Mountains, which lie south of Marrakech

· TRAVEL· MOTORING ·



sprawl on the matting. Mine-host will bring ewer and water for ritual hand-washing, then a row of braziers. Inside is a

At the end there will be mint

trast: good French and Moroc- summer when Marrakech bakes trast: good French and Moroccan food, local wine and an opulent decor of Berber reds. The ulghtingales aing In the rose garden and the big peaks ahine eerily in the moonlight of a night that throbs to the million voices of cicadas and frogs. A stork nests on the roof — a sign of good luck. The nearby police station has five nests on it, to the puzzlement of the police station has five nests on it, to the puzzlement of the

A shuttle service of a communal taxi operates up to Imlil, the mountain base and taxis and buses descend regularly through a wallow of foothilis to Marrakech out on the Haouz

When I first knew Imfil, the end of the road II miles into the mountains from Asni, it was just a car park and a mountain hut. Now it is a village with rows of shops, cafes and a cheap hotel. The people have built their own school and mosque. It is the trade centre for the radiating valleys and the base for the hiring of porters, guides and mules for the mountains. It is a picture of Chamonix or Zermatt as they was just a car park and a moun-Chamonix or Zermatt as they must have been 100 years ago. Mountain activists of all nationalities pour through so often in vast organised gangs, hell-bent on Toubkal at all costs, while so

blue, red and white colouring with some excellent seafoo eating places and endless sands to walk along. If you want a snack you can have fish grilled at the quayside straight off the boats. The Hotel des Ramparts has windows 100ft above the crashing Atlantic rollers and looks out to the old port. turn) then the flying planks whize one down 7,000ft in half

There is always a wind blow-ing at Essaouira and the sun sets into the bustling sea in a molten globe. Morocco is Islam's Maghreb, Land of the Furthest West, which gives a romantic connection with our own lands where learned and decease look where legends and dreams look west beyond the sunset.

 Exodns Expeditions, 100
 Wandsworth High St. London,
 SW18. Telephone (01) 870-915LThe cost of a 17-day trek starts from \$410 including flights, accommodation and most meals. Explore World-wide, 7 High St., Aldershot, Hampshire, GUI1 IBH, organ-ises 15-day treks from \$335.

Because snowfall is unpre dictable in Morocco, many tour operators are relactant to organise packages there.

Telephone 9252-319-448.

don't feel bold enough to go unaided, companies like Explore and Exodus do this ort of trekking in a pleasantly informal way.

I often end with a couple of days at Essaouira on the coast due west of Marrakech. It is a 17th century walled town of including car hire.

The last resort when the snow doesn't show

"THE OLD people say the last value and set their time it was as bed as this was shorter akis could not bridge the ski equipment hire shop, toking out at she green would come to an abrupt halt shop, toking out at she green in the Austrian Tyroi.

Early in December neveral days of rain had washed away the snow that had fallen the previous month and since them machismo that kept them going, abnormally mild weather had prevented falls of any significance.

As a result of Niederan's machismo that kept them going. The women did not suffer from such an image problem. Twe had enough I'm just too frightened, was a not untypical reaction.

As a result of Niederan's machismo that kept them going. The women did not suffer from such an image problem. Twe had enough I'm just too frightened, was a not untypical reaction.

Pew people appeared to have been comforted by the assurbuli lifts up to pistes on the conditions you'll be really good mountain tops, where they had when you get good suow."

Many felt they were being pushed too fast by their instructors and were being pushed too fast by their instructors and were being pushed too fast by their instructors and were being pushed too red runs for which they were not ready simply

ing had to find other ways of passing the time.
Niederan is one of the three villages in the Wildschonan, one of the more beautiful valleys of the Tyrol which is particularly popular with British skiers, especially beginners, who come in their droves on tour operator packages.

Normally its lower slopes would be crammed with begin-

would be crammed with beginners mastering the snowplough, stem turn and traverse — and limping off to hunch in one of the village's restaurants. This winter those normally husy restaurants have been almost had been overworked. Morale empty, frequented only by disconsolate langiaufers (cross many damaged. Not a few said country skiers), those who that they had been put off akiempty, frequenced only by dis-consolate langlaufers (cross country skiers), those who could not face the poor condi-tions on the monatain and an increasing number who had opted out because of bruises or more serious injuries.

The discovered that the "no snow" compensation guarantee

found that their problems were skiers.

not confined to the pistes them—

Two snowfalls during the selves. Even more people than week made some improvement

Raymond Hughes ioins disconsolate skiers in the bars of spring-like Tyrol

more serious injuries.

The tour operators and the in their tour operators' brolocal ski school have done their chures did not apply to them.
best. Intermediate skiers have Unless the lift system was been bussed daily to Antiach at closed down compensation was the other end of the valley and not payable, they were told – taken up in the goudola lift to despite the fact that there were where snow conditions were no cross country trails at the slightly better at around 1,800 tops of the mountains and that netres. they had paid the same for .The beginners in Niederau their holidays as the downhill

selves. Even more people than usual were falling off the t-bar and button lifts on the nursery the coaches left for Salzburg slopes because of ice and grass underfoot, and there were tales of "refuseniks" defying their instructors and leaving the lifts halfway up; rather than risk a speckled with snow. Further fall on the kier, more grassy, upper reaches.

Children were particularly upper reaches.
Children were particularly expected for the time of year.

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Stuart Marshall goes mudslinging in a four-wheel drive Lada

A workhorse for all seasons

THIS TIME last year my part of Kent was like Lapland and the Lada Niva Cossack (pictured) would have been ideal transport. With permanent four-wheel drive, a lockable centre differential and high clearance, coil-spring suspension, it thrives in conditions that stop other cars in their tracks.

However, Lada's UK importer However, Lada's UK importer has aimed the Cossack not so much at the up-to-the-axles in mud or snow brigade as the owner (probably young and male) who fancies using a Range Rover instead of a normal car but cannot raise the price.

At £7,345 the Cossack is less than half the price of the low-est-cost Range Rover. It has been designed to catch the eye not of a Chelsea farmer, but perhaps of a Battersea smallholder. The Cossack costs £1,150 more than the standard Niva 4x4, which is mechanically the same but fairly stark inside. For the extra money the Cossack buyer sets smart alloy Cossack buyer gets smart alloy wheels and Michelin tyres, glass sunroof, bull bars frontand rear, deluxe cloth seats and carpets, body stripes and sports steering wheel.

Not all the extras have been well thought out. The spare wheel blocks so much of the



rear window it makes the wiper pointless. And the spare with its heavy earrier has to be swung to one side every time the talgate is opened.

For a high-slung, short-wheelbase machine the Niva does not ride badly and handles quite nimbly, though the steering is heavy when parking. It is low geared (20 mph or 32 kmh per 1,000 rpm in top) and both responsible to the steering is the Niva feels rugged and I who will be adjusted from inside the car. system vibrates.

Cannot be adjusted from inside
The Niva feels rugged and I the car.

Vision of danger

are held to be due to reduced tyre grip on wet road surfaces. But the other 12,000 are, in TRRL's view, caused by vehicle-generated mist having dangerously reduced visibility.

Most lorries and coaches are supposed by law to be fitted with an approved spray-reduction device. There are two main kinds. The most popular are whiskery plastic mats which catch the water as it is finns in

catch the water as it is flung up by the tyres, slow it down and let it fall gently to the road, instead of billowing out side-ways as a mist. The other idea is to fill in as much of the wheel arches as possible with

thin brushes. In my experience, spray-reducing regulations are often ducing regulations are often honoured in the breach, especially by the cowboys, like the unlettered Scania artic which rode in a cloud of mist of its own making two car lengths

ACCORDING to the Transport and Road Research Laboratory, mpb on the M25 one soaking 25,000 accidents would not morning. As soon as a gap occur ou British roads each year if the weather were fine. Of these 25,000 crashes, 13,000 I overbook him, still deling 65 are held to be due to reduced mph in his own private fog and still riding on a car's bumper. If still riding on a car's bumper. If the car had had to brate, noth-ing could have prevented a mul-tiple nose-to-tail shurt.

What can be done? At the annual fitness test the anti-spray preventers are checked, but many lorries cover 100,000 miles a year and the devices get damaged between inspections.

damaged between inspections.

Maybe they have the rightidea in the US. I was following
a truck-trailer rig in Georgia
last autumn. Displayed on the
back was the message: "If you
see this truck operating in an
unsafe manner, please call
1-800 563 8326." My congratulations to a public spirited JMI
Transport Inc. and would the
British road haulage industry,
through its official bodies,
please copy?

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Lawrence Garner battles with dem dry stones

Up against a stone wall

so there is no excuse for not going to the Wall.

As a dry stone waller I skirmish with walls all the time, but most of them begin with a small "w" and are easily subdued. The Wall is different. It stands high on a Welsh mountainside, and from its starting point at a thousand feet it snakes its way up a 45-de-gree slope until it disappears in the mist.

When I took oo the job of repairing it I knew that it was not going to be a friendly encounter, but there seemed to be good pro-fessional reasons for tackling it After all, I was going to be paid for it, it was the sort of job that occurs once in a lifetime, a chance to use techniques that every waller ought to have in his repertoire, I may even have men-

tioned the word "challenge"

the beginning of the nineteenth century a farmer decided to define his boundary once and for all. Men sweated blood to build the thing, and those anonymous heroes deserve a better memorial

them. They were not professional wallers - farm workers, probably, or casual labourers glad of a bit of work. Did they know what they were taking on?

So that is what I am doing now, fitting together my slimme

kness of that remote countryside dismantle the Wall It fights back before making the final exhansi-ing climb up a slippery sheep by-laid stones oo to my feet or track. Wheo they arrived they would have started the back-piece of slab I have earmarked track. Wheo they arrived they would have started the back-breaking business of finding their

When tourists set out their pic-nic tables in the lay-by far below curse as I nearly follow suit, and look at the steep climbing scrabbling for a foothold on the Wall they usually ask how the the Wall they usually ask how the the slope...

Stones were carried there. The answer is that they were oot. Men scoured the mountainside picking op stones, and when quarter I can hear Welsh voices where any out they can be stored to the stored

an odd feeling to come across a



Country notes

ise that they were last handled more than 150 years ago by one of those original builders.

It would be pleasant to con-tinue in this romantic vein and say that I am restoring a miracle But lately I have given up trying to explain away what is obviously a grotesque enterprise.
There is no rational reason why
the Wall should ever stand again.
No-one will ever come to look at
it, and it could be replaced quite
effectively by a fence.
But there is a compelling irrational reason. Somewhere around
the beginning of the nineteenth.

Say that I am restoring a miracle
of craftsmanship to its former
glory. Not so, I'm afraid. The
Wall was a product ofthe Primitive School, which maintains that
if the stones you pile up are
heavy enough they will stay put
for a long time regardless of how
you lay them. The result was fat,
lumpy, unscientific and destined
to slide into ruin.

The thio structure I am putting

The thio structure I am putting in its place looks ridiculously lightweight by comparison, but then I have the benefit of the the thing, and those anonymous latest eighteenth-century technol-heroes deserve a better memorial ogy. Those farm labourers, isothan a disintegrating heap of rublated in their Welsh valley, were not to know that further north, Judging by the size of some of on either side of the Pennines, a the stones they manhandled there new breed of professionals had must have been at least four of developed an elegant technique. that required half the stone to build walls that would last twice

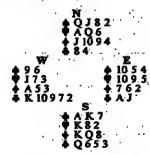
they were taking on? now, fitting together my slimline
They must have got out of hed substitute and guiltily throwing
on winter mornings and walked a away surplus stone that was pain-

picking op stones, and when those ran out they got out their picks and dug. If they wanted heavy slabs they backed them out of the nearest rock outcrop.

From time to time 1 stumble unfortunately 1 won't be around into their miniature quarries hidden under the bracken, and it is

Lawrence Garner

TODAY we shall deal with the problems of East and West, and offer come bints for the defence. Both hands occurred at rubber bridge and we start with People who Count.



North dealt at a love score, and after two passes South opened the bidding with one no trump. North said two clubs, and after South's response of two diamonds jumped to three no trumps on his good 10

Against the nine-trick con-Against the uine-trick contract West opened with the seven of chos, East won with the ace and played the knave, South following with the six. West was a good player, and he did what every player must dohe counted the points around the table. He himself had 8, dummy had 10, and East had produced 5. Therefore South must have the remaining 17. must have the remaining 17.

must have the remaining to.

The declarer could run four spade tricks and three hearts not four because he had denied four cards in both major denied four cards in both major suits. It was quite likely that he held four clubs, so instead of playing low on the club knave, and waiting for another club which would never come, he overtook with his king, and returned the 10. He could afford to concede one club to the declarer - that would not give him his contract - and this give him his contract - and this would enable him to score four clubs and the diamond ace. Had West not overtaken, the declarer woold have sailed

home without any problem.

We cannot call this defence difficult but you know and I know many Wests who would

have played a low club at trick two. They just cannot count op

With North-Sooth game, North dealt and bid one club, South replied one diamond, North rebid two clubs, and South, certain that his partner must hold something in hearts,

must hold something in hearts, bid three no trumps.

Instead of starting with a spade, West was inspired to play for his partner's hand and led the 10 of hearts. Declarer covered with dimmy's queen, East shrewdly played the seven — an essential duck — and South came to hand with a diamond to his line. He must led the five of came to hand with a diamond to his king. He now led the five of clubs, intending to finesse dummy's nine, to make sure of four tricks against a 4-2 break. West, however, — it really was his day — did not slavishly follow with the three, but played his knave, an excellent antiducking play. Unable to allow West to hold the trick, because another heart lead would be fatal, declarer had to win on the table. He cashed two more clobs, just in case West was clobs, just in case West was pulling a fast one but East turned up with four cards in the suit. Now South turned to diamonds, and finessed his knave, but West won and returned his remaining heart to defeat the contract by two

fricks.
Full marks to East-West for a
great defence but no marks to
the declarer. He could have
avoided the shameful result by
allowing West's heart 10 to
hold the first trick. This duck
cuts the lines of communication, and declarer can take the diamond finesse without dan-

E.P.C. Cotter

The answer lies in the soil for Jeremy Cherfas

Chalk it down to history

porous, so water seeps through without forming the lakes or peat bogs that might trap and preserve pollen from earlier

THE NATURAL history of the Recently, however, two scienbehind the retreating ice, cut-British countryside is almost tists based at Hull University-everywhere an artificial his-have discovered a site in the ing their livestock, and harvesttory. Practically all of the land- Yorkshire Wolds that throws scapes we enjoy, even remote newlight on the history of chalk moorlands and old oak forests, grasslands. It is called Willow owe their existence to the activ-Ities of people, chopping trees rains often cause a nearby in the one case, planting and stream, the Gypsey Race, to managing them in the other. flood and create a pool. managing them in the other.

Perhaps the best known are Beoeath that pool is peat, the chalk grasslands. Chalk formed from the plants of the grassland – the downs of neighbourhood, and within the

the chalk grasslands. Chalk grassland — the downs of southern England — is the classic example of a landscape that depends on people. The last Ice Age ended some 10,000 years ago, when the chalk hills and escarpments became covered with trees. About 5,000 years ago, along came Neolithic farmers who cut the trees to provide cattle grazing. That started the process that culminated in the vast sheep-covered downlands of the 17th Century.

The difficulty with this story — especially the timings — is that evidence is a canty. Palaeo-ecologists, who decode the history of landscapes, get some of their best clues from pollen grains, which can survive extremely well and tell a trained eye exactly what plant they are from On chalk grasslands, however, the palaeo-ecologists are thwarted by the very landscape they want to study. Chalk and limestone are porous, so water seeps through within the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. The tast the deposit runs from about 11,000 years ago to the peat are pollen grains. Radioactive carbon left in the peat are pollen grains. In the deposit runs from about 11,000 years ago to t Although the fields around Willow Garth are now arable, they have soil typical of grasslands. The pollen trapped in Willow Garth shows that trees

ing their livestock, and harvest-ing seeds from the fat heo, orache and oats that thrived in these cooditions. If we can believe the peat of Willow Garth, some grasslands are thus much older than we previously thought. They still oeeded a helping hand from people, but those people might well have been on the scene for 9,000 years, rather than the 5,000 years commonly assumed.

rose, horseshoe vetch and field fleawort, buttercups and cow-

Plough in fertilisers, and you make it impossible for most of those plants to survive. A few grasses grown for hay, therea-son for the "improvement," smother all the other flowers. The result is a green desert. never really covered the land-scape after the last Ice Age.
Why not? Probably because people followed very closely with downland flowers. If peo-

Long before woodlands cov-ered the country, agriculture had created chalk grasslands, one of the most complex habitats in the country. Throw down a metre square on old grassland and you may find more than 40 different species of plant crowded together. That profusion depends, paradoxically, on the very poor soil above the chalk. No single species can do better than any other, and so a wild variety of plants all eke out a living plants all eke out a living together; dropwort and rock-

> How fortunate, then, that a group of ecologists at Oxford University is studying the best way to get back from arable to downland. Their site is a field



And sheep may safely graze ... on chalk grassland

ple created chalk grasslands, and destroyed them, they can

So far this century, and especially since 1945, governments have encouraged farmers to

In Wytham Woods, near Oxford.

They discovered that simply areas of "unimproved" grass-They discovered that simply leaving a field fallow is not enough. It will be invaded by coarse grasses and shrubs, not-grassland flowers. Some grazing is vital, although the exact details are unimportant. Grazing and the state of the state

been only couch grass, cocksfoot and rough meadow grass.

The change was far swifter
than anyone expected. Withinmarginal are ble land were
given beek to sheen people just a conple of seasons, the given beck to sheep, people grazed plots contained 212 difgrazed plots contained 212 dif-ferent species. More than half profusion of wildlife on the old

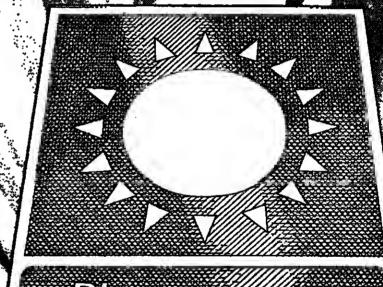
land quickly arrived in the grazed areas. These included some very rare species.

Putting animals out to graze

cially since 1945, government of have encouraged farmers to bring ever more marginal lands into production. That is why downland is one of our most threatened habitats. Now, it seems, changes in the Common d Agricutural Policy could reverse that trend. Indeed, money may even be made available. The first large is but fowers where before there had solve the flowers where before the had solve the flowers where before the flowers where the flowers on old pastures is quite compat-ible with normal sheep farming. Some ewes are barren, and can manage well on poorer pasture. Breeding ewes need to be "dried off" for a while after the lambs have been weaned, and down-land is quite suitable. It is, after all, where their ancestors flowers where before there had on wool rather than meat. No farmer could afford to tie up a of the permanent grassland chalk grasslands. It may not be plants present in neighbouring natural, but nothing is.

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WHEN A building company or they risk covering expensive bears the name of its founding sites with hard-to-sell build-chairman, and the chairman is ings. Charles Church's buyers sufficiently flamboyant to have have, in effect, been unofficial moved from doing half the jobs on his own sites to restoring and flying a collection of Spit-four houses.

and flying a collection of Spirfires, there would not seem to
be much room for another
forceful character in the business. But, in the case of housebuilder Charles Church, there is
— his wife, Susanna, company
co-founder and active director.

This would not be at all
unusual in most other industries. The stock market has
become littered with successful
husband and wife teams, yet
precious little equality has
squeezed between bricks and
mortar. Not to put too fine a
point on it, house building is an
overtly serief industry.

At one end of the process,
says Susanna Church, "talking
to people is the best way of
seeing how individual houses
behave, so we call on people
some months after they have
moved in and ask them how
they feel about the house.

That leads to design alterations in later houses, details
such as the way doors are
hung, where the TV points are,
positioning of electricity plugs
and so forth as well as specifications for the houses.

As the business has grown, so mortar. Not to put too fine a point on it, house building is an overtly sexist industry.

As the business has grown, so As the business has grown, so has the after-sales department, now run by Valerie Reed. A permanent maintenance team has been added to back-up the few industries that bave remained so male-dominated. On the other hand, women have not loosened thair traditional lead role in home-buying decisions. That role that has, if anything, been reinforced over the years as more single women buy their own homes. Still, it is the woman who remains - in the uncharmingly graphic words of the relocation specialists - the "trailing spouse" in most husband and wife households. various building contractors' various building contractors
staff on the company's sites.
She deals with homebuyers'
calls covering far more than the
usual crop of teething problems
with newly-built houses. Landscaping and problems with
neighbours also come into Valerie Reed's territory. She spent time on site as a finishing foreman to get a clearer undertrailing spouse" in most husband and wife households.

Susanna Church's way of geting an even footing in this misogynistic trade was "making sure that I never learnt to type, so I did not end up doing Charles' secretarial work."

Instead, she became the business's one-woman after-seles.

In her time handling calls from new owners, Susanna Church found that, 'the people who do run into problems seem to be those who, months after they have moved into a house, are still disorganised.

"I remember one call from people who had found a single screw loose in a door hinge quite a time after they moved in. Obviously that's something that shouldn't happen, but, really, you would expect that most people would have got a screwdriver out and tightened it themselves."

it themselves."
Making sure that the screw is tight in the first place would be the responsibility of the other, quality control side, of the operation. Another woman builder, Marian Brewer, took over the devicedor menets. builder, Marian Brewer, took over the day-to-day management of that job in the late 1970s. Since then her work has moved further down the planning process so that it now includes selecting the type of brick and tile finishes to be used on each new house, as well as choosing and ordering all the fittings, from kitchens to built-in wardrobes.

When the contract builders

when the contract builders have finished a house Marian Brewer's quality controllers go around completed houses with a checklist to see that everything fits - and that all those door screws are tightened properly. After that it's over to the

after-sales staff.

It is a far cry from the "build it, sell it, move on" days of householding. But even with the most detailed market research every new house style is, to an extent, a gamble. That's why current house designs, at Charles Church, just as at virtually every other housebuilder's, seem to start and finish in an "olde English" form.

Most of the large back gardens and other odd sites so expensively won from the planners for new buildings now end up as carefully landscaped estates of timeless mini-mansions. The sight of executive housing estates filling up with variations on a "Tudorgian" theme should make any creative modern architect wonder why they didn't go in for law. But maybe the creative suchtests did all end up at one bar or another because, as Sosanna Church says: "We'd love to be able to build an ultra-modern house that people would buy, but I've never seen one that would sell well. Traditional homes are what people want."

Exteriors evidently need to conjure up images of some injulic country home to attract the buyers. Knowing what people want inside their houses in terms of lay-out and fittings is more complex, since it calls for a combination of experience in dealing with past buyers, and,

a combination of experience in dealing with past buyers, and,



up a fictional family for the bricks and tiles as every show house well as the kitchens



Susanna Church: making Marian Brewer: choosing

ccording to Susanza Church, assination. "You have to imagine you're "You have to imagine you're living in a house to get a feel for it," she says, "and when we have a new house type and we are setting up a completely fitted showhouse, you have to imagine the type of family that it might appeal to."

These notional home-buying families can be supprisingly

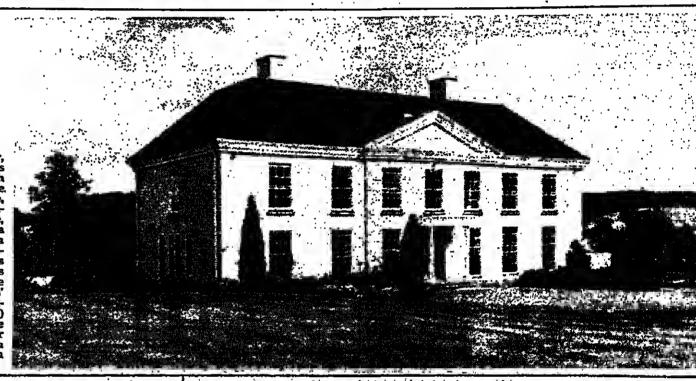
families can be surprisingly specific. In one showbouse Susanna Church had thought through the interior for the

a wife who has a part-time job and a couple of young teenage children. Having defined the target market, the showhouse was then designed to appeal to

was then designed to appear to that imaginary family. Church's women builders expect to have to fit out as many as 80 show houses on dif-ferent building sites next year. The task of designing each one around individual fictional households angioests that house households suggests that house-building has become a good deal more creative than just piling up bricks in the right order.

ness's one-woman after-sales service, a link with home buyers that has developed A stylish ers that has developed to become as important a part of the pre-planning of a house as a quality check on the completed in the complete complete in the complete com imitation

A NEW, or at least nearly new. Georgian country house is something of a rarity. Although Lower Park House, in the grounds of Shardeloes Estate, near Old Amersham, Buckinghnear Old Ameranam, Buckingh-amshire, is only Georgian-style, it gives a highly respectabla imitation of the real thing for a 14-year-old building. Permis-sion to build the house dates from the 1950s when it was planned as as a dower or estate house. Now, Hampton & Sons' (04946-77744) and Hetheringtons Nationwide (02403-5711) are joint agents. They are looking for around \$1.25m for the five-bedroom house, with separate staff flat, set in seven acres of gardens.



designs and specifications have to keep pace with buyers' ideas of what makes an ideal home, International Property

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sold their home in Camberley, Surrey and moved, with their young family, into a hut to finance their first new-built

houses. Customer contact then

was a matter of a trip down the road to chat with new owners and see if everything was

alright. As the business grew, a more formal system evolved,

where quality control and after-sales form a circle of information and response that

feeds owners' experiences of Church's house designs into the

Keeping close to customers is

second nature in all housebuild-

ing groups. They are only too conscious of the fact that

forward planning process.

On the one hand, there are ew industries that bave

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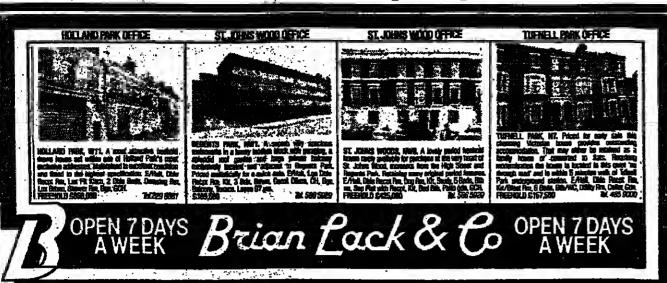
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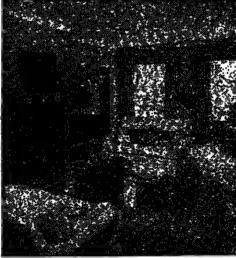
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Gerald Cadogan looks at the implications of owning a listed building

The pitfalls of gracious living

legally bound to maintain the property and councils have draconian powers to ensure they do. So it is a shock to

Altering the character means. relief. Regular building mainte-nance does not though some owners get a little help from council grants, or even English Heritage. The tax treatment is abourd and irritating. The sooner the Chancellor gives VAT relief on maintenance the better. He could exclude additions. But additions, whether a swimming pool near the house or a new bathroom, might well need listed building consent -qualifying for VAT relief any-

ray.
The fieldwork for relisting is almost done, but many owners still have to hear that their still have to hear that their properties have been put on the statutory list by the Environment Secretary. The local plan-on Historical Monuments is also ning authority, a district or London borough council, informs the owner. Afterwards, listed building consent is needed for character-altering works. Before the statutory list there is a draft list of buildings awaiting DoE approval, which is something to keep in mind if you are buying a house where owners have not been notified. The transition from draft to statutory was intended to be quick, but there are now considerable delays. The council has the draft lists, but may not disclose them. They do not have

the force of law.

To make changes to a house that looks listable but is not yet listed, you have only to ask for planning permission, not listed building consent. That may be to your advantage or disadvantage. It could be useful to suggest to the council that the building be spotlisted, which would trigger listed building consent and VAT relief. The

WHAT DOES it involve to own intended listing will have at a listed building? Nowadays proper effect. Or it can issue at agents hymn the certificate of building preservation notice. Grade II, or better II', or best it, and owners generally are months and time to make the proud. But it means they are lessling about its being listed.

Make sure your solicitor asks.

Make sure your solicitor asks in the searches about listing. If property, and councils have draconian powers to ensure the house has reached the statthey do. So it is a shock to utory list, you may like to ask discover that for most people the only compensating advantage is VAT relief on work which receives listed building consent and can alter a building's character but not on essential painting and plumbing.

guides.

For work beyond maintein effect, destroying some of what is there, although that is there, although that is what led to the building being listed. Destruction has VAT building consent (free). Listed building consent is also needed for demolition. If your applica-tion for either is turned down, and you cannot come to an accommodation with the council, there is the right of appeal. Parish councils, local and national bodies, and the public can make representations about building consent applications to the council.

Notices are posted near the buildings and in local papers. The council may decide to seek expert advice, such as from the Victorian Society and the Geor-gian Group. English Heritage is consulted about demolition, in case the building should be recorded. The VAT rules lead to grey areas. How do you define the character of a building and altering it?

Two current problems are thatched roofs and UVPC winflat, which destroys the depth in the house facade. Is the council to allow them, VAT free, or insist on traditional wood? It is a more serious issue than it seems at first because it is difficult to say no when deal-ing with the particular. On the other hand a tour of old vil-lages will show that they do in fact affect the character and general look of a place. For thatch the problem is whether to insist on reed and not straw, or vice versa, whichever is the local material. Reed is hardedged architecture. Straw gives

the tea cosy look.

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was. The notice has penalties

three months or up to £1,000, or both, for summary conviction; up to 12 months or a fine, or both, if indicted. The council

may also serve a repairs notice with a detailed schedule order-

ing you to do the work in two

months. Councils hope, of course, that the threat of a

can serve notice that in seven

days they will start work them-

seives and send you the bill. Finally, if you allow a listed

With such rules it is wise to

recent advocate has been the Commons select committee on

response to their report which

came out months ago.) Spare a thought for the councils. It is

purse. Some grant aid is available for II and II*, but it is very little. Our local council gives a maximum grant of £500 (or 25 per cent of the cost), which can be matched by the county coun-cil to make £1,000. To apply for grant aid you need listed build-ing consent. An alternative that may be more fruitful is to go to the housing department and see if you qualify for a housing repair grant, paying up to 90 per cent of the cost of specified work. Other possibilities are town scheme (for places such as Bath) and conservatioo area grants. Talk first to the council concerning those,

if you have a truly special building, which is likely to be I or II and defined as one of outdows. These new windows can standing architectural or his-reproduce glazing bars but are toric interest, English Heritage flat, which destroys the depth in the house facade. Is the 238 offers of aid (known as section 3a) for a total of \$7.6m. A call to a consultant such as Mr Norman Hudson (029575-750), technical adviser of the Historic Houses Association, may be of great benefit. He helps owners to prepare applications and agree conditions - including some public access - and find alternative sources of income. The law's intent is to make the owner responsible for keeping a listed building sound. If you fail to do that, the council has

strong powers.
It may serve a listed building consent and VAT relief. The Reroofing and dry rot are the enforcement notice, demanding slons that council may itself decide to spowerst parts of maintenance: I that you do things properly or ficult than thist a building, so that its write from the heart; and restore the huilding to how it new house.

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What's worth saving

about? It began in a slow way in the 1970s, and speeded up only on the initiative of Mr Michael Heseltine, Environment Secretary, after the demolition of the Art Deco Firestone facof the Art Deco Firestone fac-tory on the Great West Road one Bank Holiday weekend in 1980 when the building was about to be listed. By now about 418,000 buildings have been listed and by 1989, when the listing of pre-1914 buildings stock should be complete, the total will be about 500,000 or 2 per cent of the country's stock per cent of the country's stock

A start has been made on list-ing buildings from 1914 to 1939, of which the red tele-phone boxes are the best known examples. A rolling 30-year rule has recently come into effect, by which any building of high quality of 30 years old or more is eligible. Bracken House, in Cannon Street, London, the home of the Financial Times (Sir Albert Richardson, 1956-59) was the first under this rule and given grade II; hut Shreiber House in Hampetead (James Gowan, 1963-64) was turned down, despite being championed by English Heritage.

repairs notice is enough. If you do not comply with the notice the council may make a compulsory purchase order. If the huilding is unoccupied, they As with the best restaurants in the Michelin guide, there are three grades for buildings: I, those of exceptional interest, only about 1 per cent of the total; II", particularly important buildings of more than special buildings of more than special interest, about 4 per cent; and the rest are II, of special interest and worth the effort to preserve them. There used to be a III, but that had no statutory force and is now obsolete. Most of the old IIIs have become IIs, especially if they have "group value". building to deteriorate in the hope of being allowed to rede-velop the site, the council can acquire the building at a price that excludes redevelopment

look after the hullding and to lobby, as many have done, for essential change in VAT rules or similar relief. The most What buildings are eligible? All before 1700 that survive in anything like their original state; most between 1700 and 1840; and those of quality and character between 1840 and 1914, particularly if they are the environment. (We still await the Government's by known architects.

English Heritage is preparing a list of the 50 best buildings between the end of the war and 1958. Within these periods the clear that in a year or two listed building consent will mean an enormous addition to the planning officers' and councillors' work, and many decisions that will be far more difficult than saying yes or no to a 1958. Within these periods the inspectors look most for buildings of special value to architectural, planning, social or economic history. This is a broadgroup that ranges from country houses to pubs, prisons, theatres, markets, railway stations and telephone boxes. They have also gone after buildings which show special technology in, say, cast iron, or early use of concast iron, or early use of con-crete, or cruck cottages (listable also ou grounds of age). Then there are buildings with histori-cal associations and, finally, the towns and villages with group value.

> Both English Heritage. staff and private architectural firms are doing the fieldwork. Using companies under contract has pushed it all along. One firm is Clews Architects Partnership of Great Bourton, near Banbury It has tackled three counties, Northamptonshire, Oxfordshire and Warwickshire, with a sophisticated data base system it devised to record the information or misconnection.

the final statutory lists. In the beginning there were problems with owners, but fieldworkers are instructed to have an emolare instructed to have an emol-lient attitude. Surrounds of houses have been a headache. The term "buildings" may include garden walls, letties, water troughs, gazebos and even statuary. Separate notices of listing arrived for our Victo-rian rectory. One is for the house; a second for the wall and gatepiers at one entrance; and a third for the right gate-pier at another entrance. Another and rarer problem

pler at another entrance.

Another and rarer problem has occurred with original fittings that are movable, and do not qualify for listing. Farmborough Hall, Warwickshire has a splendid collection of Roman emperors' busts in the hall and on the staircase, as part of the original 18th century scheme of decoration. Yet their owner is sending them to auction after Stratford district council deemed that listed building consent was not relevant. This is much to the distress of the National Trust, and English Heritage. It illustrates the limitations of listings. tations of listings.

If you do not like being listed nost people do - there is no appeal. Listing is intended as an objective statement on behalf of the public about the quality of buildings. If you do wish to object write as soon as possible to Listing Branch, Department of the Environment, Lambeth Bridge House, London SEI 7SB, suggesting reasons why your house should not be included. Bear in mind that it has been assessed by experts. A few are removed from the list. You will receive a recorded delivery letter giving notice of listing.

too great.

There are alternative ways of starting. One is to purchase seedlings while still in their notice of listing.

The silly season

Robin Lane Fox on confused plants

VIOLETS are flowering all over the place; primroses have for-gotten the season; the mild weather has been marvellous for scented mahonias and I now

for scented methonies and I now have a pear tree which is thoroughly confused.

Just before Christmas it dropped the last of its glossy green leaves; two weeks later, its bare stems were showing white flower-buds, some of which have opened, whereupon across beginning from leaves were some young green leaves were so stupid as to reappear. The poor thing has lost all sense of time and it will have to be certi-fied if it goes on to produce

The point of this particular variety, Pyrus Chanticleer, is that it is such a charming tree for a walk, avenue or slightly formal line. It has a neat upright shape to about 15 feet, clear leaves which reflect the light and showers of white pear-blossom in spring. No fruit means no wasps and frankly, I do not miss them. If Chanticleer

do not miss them. If Chanticleer starts fruiting after waking up so early, it will not be living up to its high reputation.

This year, anyone can see the point of winter flowers and I hope that more people will choose to grow them. Once again, the best of the bunch is the winter-flowering cherry, that wonderful tree which is that wonderful tree which is suddenly at its best, after a dull end to last year which made me wonder if it was not about to give the season a miss. Usually, there are flowers in November but this year, Prunus Subhirtella Antumnalis has waited until January before covering itself in its delicate haze of pink-white flowers.

It saddened me to read recently that the winter cherry would not be noticeable "if it flowered in high summer." You would have to be imperceptive would have to be imperceptive to agree. Its flowers are not large, but they are so abundant and so prettily carried that it would always stand out among the other heavier cherries, especially if sighted against a dark background.

The ideal place for a winter cherry is a site a few yards in front of a dark green hedge or,

hed. Mine flourishes in a space



between the pavement and the front area where we dump the dustbins and park the car. Having flowered once, it often flowers again upon slightly longer stems, continuing the season until April. It makes a good cut flower and can be pruned to suit its position and remain a modest tree. Left unpruned each spring, it will eventually make a tree some 25 feet high, but it is slow-moving and never

overpowering.

Near it I like to see hellebores. Last weekend, I thought
that pieces of white paper had
hlown into the border, in fact, they were flowers on the Christmas Roses which I had inherited from a former owner, already open before I had noticed them. The one fault of the Christmas Rose is its short-ness of stem, which puts it at risk from wet weather and splashing from the earth. One easy little trick is to bank earth up its stems when they first show in order to encourage them to lengthen, like leeks. It is a lovely flower, but the best sights in the family are selected forms of the Lenten

best of all, a yew tree. The Rose. To find the best, you cherry flowers without its own have to go to specialist growers leaves and although it is lovely and pay the prices which their leaves and although it is lovely in any front garden, secret garden or back yard, it shows up magically against an evergreen frame. Anyone can grow it and if you cannot accommodate a tree, you can buy it more theaply as a bush and use it for filling in a border or beside a shed.

and pay the prices which their years of work and selection rightly command. The most carefully chosen varieties are sold by Helen Ballard, Oid Country, Mathon, Malvern, Worcestershire, whose family has given famous names to some of the best forms on the market.

You have to book your helle-bore and hope for a vacancy, as if you were putting down a child for a private London day-school. After a while, you may reach the top of the list and receive your own piece of roots and unpromising greenery, pot-ted and grown on from a named parent. Never judge a decent hellebore until at least three years after planting, because they are slow to develop their true colour and size. It is worth waiting, because these Lenten Roses will go on to spread and increase into unimaginahly large clumps during the rest of their long lives: eventually, one plant goes a long way. You have to book your helle-

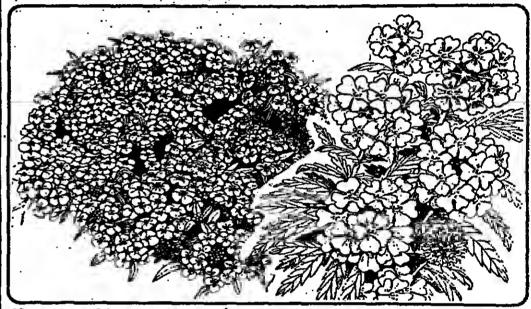
their long lives: eventually, one plant goes a long way.

Hellebores move best between late February and April, while they are still growing strongly. After seeing the best colours in flower, you should order them immediately. This year, I am spurred on by the first flowers on a selected slate-blue variety called Hades and so I have put in for four less sombre varieties to see me cheerfully through the 1990s.

There is only one secret to

the 1990s.

There is only one secret to growing them — apart from patience — a rich soil and some light shade. Sometimes, the young flower stems are attacked by a fungus, perhaps specially in cold, wet soils. I used to wonder what was beheading them just when they were about to show. Having learnt the cause. I now suray learnt the cause, I now spray them with the fungicide Benlate them with the fungicide Beniate and cut off their old leaves just before the New Year. Otherwise, even the mildest winter will not bring the best out of a clump of promising young huds and you may wonder if I, like my pear-tree, have not lost my senses in this extraordinary senses in this extraordinary



Alyssum maritimum "Snow Crystals" and verbena hybrida "Showtime Belle"

Perennial problems

has tackled three counties, Northamptonshire, Oxfordshire and Warwickshire, with a sophisticated data base system it devised to record the information on microcomputers.

Fieldworkers from private companies, generally architects or architectural historians, accompany English Heritage inspectors and make suggestions, after a thorough recomnaissance. Before that thay write to the parish council and big landowners to say what is happening and ask for help and advice. Once likely candidates have been identified fieldworkers study them and write descriptions. A few buildings will be added or dropped.

The new listing has gone well, apart from the delays in issuing the final stantory lists. In the beginning there were problems with owners, but fieldworkers are instructed to have an emollent attitude. Surrounds of the great variation in the price of seed the probably cost at least \$1 but there is such great variation in the price of seed the probably cost at least \$1 but there is such great variation in the price of seed the price of seed the probably cost at least \$1 but there is such great variation in

They do not have to hurry their lives like the hardy annuals of the temperate regions because all have been derived from plants that grow wild inthe tropics or sub-tropics. There they can grow all the year and go on flowering for months at a time. This relaxed approach does mean that they must be given time to build up to flowering size. In Britain this means that seed must be sown early, some kinds during January and most by the end of February. ruary.

Their seed also requires quite high temperatures for germina-tion; for germiums 24C (75 F); for impatiens not much less, plus high humidity and full light; for begonias much the same, plus surface sowing because the seed is so small; for saivias the same but the seeds must be in full light. One really needs a self-heated propagator for this kind of thing, though for this kind of thing, though for those kinds that germinate well in the dark much can be done in an airing cupboard. I find the chief danger here is that I forget to look at the seed pans daily and in the high tempans daily and in the high temperature and complete darkness the seedlings can become long, thin and white very quickly. They need to be removed to a cooler, lighter place within a few hours of germination, and then one must be careful that the change of conditions is not too great. too great.

probably cost at least \$1 but there is such great variation in the price of seeds that it is impossible to be precise. Seedlings at this stage offer good value for money, especially if one needs a lot or can share them with friends. However, it must be borne in mind that they will arrive some time in April, when nights can still be April, when nights can still be very cold and that they will very cold and that they will come straight out of a propagating house with temperatures similar to those I have just described. Consequently, they will need some artificial heat for several weeks, while they are being acclimatised. It would be unwise to let the temperature drop below 15 deg C (60 deg F) at any time for the first two or three weeks, and that means a good heating system or, more economically, a self-heated frame placed inside a greenhouse or conservatory.

or, more economically, a selfheated frame placed inside a
greenhouse or conservatory.

Most seedsmen insist on early
ordering because of the very
limited delivery period. For
some varieties this can be as
early as the last week in January and almost everything by
the end of February. The alternative is to purchase seedlings
that have been transplanted
and are delivered in little plugs
of peat compost, ready for potting. They are larger, tougher
and better able to look after
themselves than untransplanted seedlings, but they
cost three or four times as
much. Compensating factors
are that losses are likely to be
less and, because the packs are
smaller, it will be easier to
relate orders more accurately
to requirements.

The third atternative is the

to requirements.

The third sitemative is the

method of marketing, but several seed companies offer such seedlings, though the range of varieties is quite limited. The plastic seed cartons used are likely to contain anything from 100 to 250 tightly packed seedlings, according to the size of the seeds and the density of sowing. Usually, they are priced at between £6 and £8 per carton, which works out at 5p to 8p per plant.

Seed to produce a similar number of seedlings would most lush and attractive and are carrying most flowers that are least likely to have been fully acclimatised for outdoor planting. It is usually better to buy from a nursery or garden centre one knows than from a shop which only handles plants as a brief seasonal trade.

The other danger is to plant too soon. Such plants begin to appear in April, long before it is safe to plant out any but the hardiest kinds. Even the first hardiest kinds. Even the first three weeks in May can be risky except in the mildeat places, since severe radiation frosts can occur on still cloudless nights. The last week in May and the first fortnight in June is the ideal period for planting out the summer bedding being both safe for the plants and giving ample time to deal with the spring bedding plants that have preceded them.

None of these alternatives offers the range of varieties availabe from seed, and it is almost impossible to buy any of the newcomers that are introduced every year, such as two verbenas, Showtime Belle and Sandy Scarlet, and a dwarf dahlia named Sunny Yellow, which were all award winners in Fleuroselect trials and are introduced for the first time this year. Showtime Belle makes a wide low plant covered in carmine flowers. Sandy Scarmakes a wide low plant covered in carmine flowers. Sandy Scarlet is half the size, far more compact, and a pure red lacking the dash of blue that gives Showtime Belle such a kick. Dahlia Sunny Yellow grows 30 centimetres high, and covers itself in bright yellow, semi double flowers. There is also a new Fleuroselect award-windouble flowers. There is also a new Fleuroselect award-win-ning white alysum named Snow Crystals, which can either be treated as a half-hardy annual raised under cover and then planted out, or be sown in April outdoors, where it is to flower.

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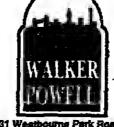
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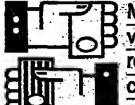
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years. Now they are being replaced by personal pensions. But, until July 1, employees and the self-employed have a final opportunity to use these contracts in their pension planning. Eric Short explains

Offering the chance of a lifetime

retirement annuity contracts have been on the pensions market. They enable the self-employed and employees not in a company pension scheme to make their dwn pension arrangements in a tax-efficient manner, akin to that for company pension

Now, under the radical reforms being introduced into-the UK pensions field by the 1986 Social Security Act and the 1987 Finance Act (No 2), retirement annuity contracts are to be replaced, as from July, by the new-style per-

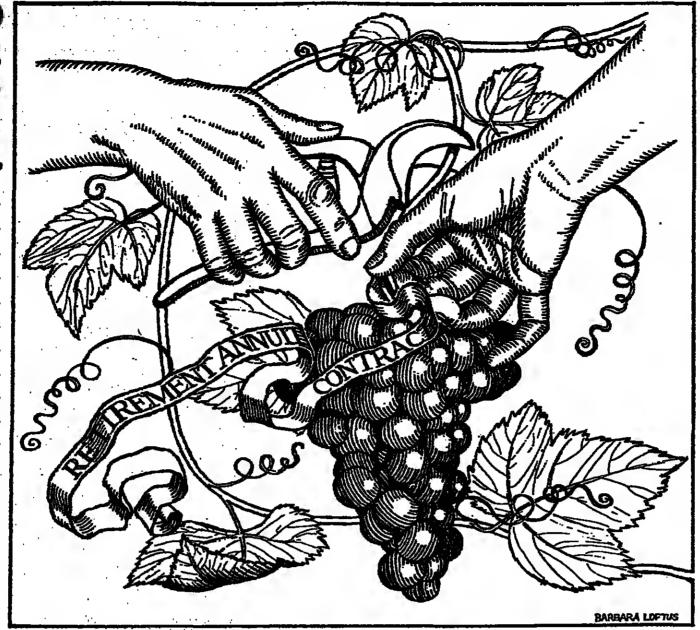
The design and format of personal pensions were based on retirement amounty con-tracts and both contracts look similar. Indeed, as far as the investment aspects are con-cerned, they are identical. The transition should be

and transiting should be made smoothly.

So why are life companies and life salesmen about to embark on a major campaign to market retirement annuity contracts during the final months of their existence?

Illo power and life common to the common to their existence?

Up to now, only life compa-nies have been able to offer retirement annuity contracts to the self-employed and to eligible employed persons.



Retirement Annuity Contracts

Indeed, life companies have had a virtual monopoly in the field of individual pensions. This monopoly is being ended on July 1 – one of the radical changes being brought about by the legislation. Under the oew pensions environment,

unit trusts, as well as life companies, will be able to offer personal pensions to the public. So life companies have only a few months left in which to operate free from outside competition and they

of this final opportunity. In this respect, life compa-nies have three outstanding features upon which to base their campaign and to draw the public's attention to retirement annuity contracts. First, there is one impor-tant difference between

retirement annuity contracts and the new-style personal pensions. The accumulated value at retirement would be the same with each contract. But with a retirement annuity contract, the investor can take a higher proportion of the value as a tax-free cash sum. The later the age of retirement, the greater the proportion that the investor can take as a cash sum. This feature is discussed in a sepa-

rate article.
Secondly, it is always a good marketing ploy to be able to tell investors that this ls their final opportunity to invest in a contract before It is withdrawn by the Govern-ment. "Buy while stocks last" will be the theme of the life

company campaign.

CONTENTS

iose from acting now - the advantages of the current system ts: how to stay in the driving seat while self-employed Rules for the professionals

advice must be the best

will change in April when Financial Services Act comes into Loanbacks: why pansion mortgages are so tex-efficient Choosing the right type of policy: best of both worlds is also on

There have been specific times during the past decade when life companies have enjoyed a sales bonanza for a particular life product imme-diately before Chancellors of the Exchequer have ended or threatened to end the sale of that contract.

The most recent epieode occurred three years ago when it was widely expected that the present Chancellor, Mr Nigel Lawson, was about to change radically the tax structure of pension schemes.

Life companies enjoyed a sales boom ahead of the 1985 sales boom ahead of the 1985
Budget of all their pension
products, Including retirement annuity contracts, even
though they could not carry
out a mass marketing campaign at the time because
there was nothing specific
but rumours which proved to
be unfounded. be unfounded

Now that life companies do hava something epecific to advertise, they are hoping to exceed 1986's boom sales fig-

Finally, in the three months from April until retirement annuity contracts finish at the end of June, life compa-nies have an expanded mar-ket for this product – those employees currently in com-pany pension schemes and who intend to opt out and make their own pension

arrangements.
This opportunity arises from the manner in which the Government has rearranged the timetable for the intro-duction of its pension reforms and for the financial services

legislation.
Originally, it was intended that all the changes would take place in April 1988, as this was the logical thing to

On that date the replacement of retirement annuity contracts by personal pen-sions would have coincided with the introduction of membership of company pension schemes becoming completely voluntary for all employees.

Then the start date for personal pensions was brought forward to January 1988, before finally being put back to July 1988 because of the delay in implementing the financial services legislation. However, the date for voluntary membership of com-pany pension schemes has been left at April 1988.

Thus during this period-from April to end June, employees currently in a com-pany scheme will be able to opt out of that scheme and use retirement annuity con-tracts in their own pension arrangements. A separate article describes in detail how this arrangement works.

However, it needs to be emphasised that employees should consider their position very carefully before coming to any decision to opt out of their expension. their company pension arrangements.

arrangements.

Retirement annuity contracts operate on the money purchase principle. The contributions paid are accumulated in a tax-exempt fund and the accumulated sum in the time the benefit is taken is read to buy a pension. is used to buy a pension.

Thus the ultimate income at

retirement depends first on the level of contributions, next on the underlying invest-ment return and finally on the level of annuity rates at the time the benefits are

Invastors need expert advice nt all stages if they are to ensure an adequate income in retirement. There are a variety of professional advisers, who will be subject to tha financial services legislation once it becomes oper-

Investors need to under-stand the terms of reference stand the terms of reference under which a particular adviser is operating, above all whether the adviser is com-pletely independent or tied to a particular life company and only selling that company's product.

This latter point is of vital

This latter point is of vital importance. Investors interested in retirement annuity contracts face a bewildering contracts lace a bewildering choice of products from a host of life companies. The intricacies of unit-linked and with-profits contracts together with the underlying investment implications are discussed in detail in the survey. In addition, the survey considers the implications of vey. In addition, the survey considers the implications of the financial services legislation on advisers and their choice of life company.

1988 is being mooted as the year of pensions. But all the iodications are that attention in the casely reserved.

in the early months will be focused on this existing product, rather than on the new ones being lined up in the wings walting to go on stage.

An action checklist for the self-employed

AS FROM July 1,1988, retirement annuity contracts are being replaced by personal pensions, Thus, from that date the self-em-

Thus, from that date the self-employed will no longer be able to take out any new retirement annuity contracts.

However, the inland Revenue is not stopping people from using their existing retirement annuity contracts after the change-over. Investors can continue to pay

tracts and to increase the amount of contributions paid, providing the retirement annuity contract has been written in the correct form to accept increased contributions

contributions.

So the simple strategy for the self-employed is to make sure that they have at least one retirement annuity contract in existence by June 1868.

Personal pensions do have one major advantage over retirement annuity contracts, investors can take their benefits from personal pensions at any time from the

pensions at any time from the age of 50, whereas with a retirement annuity contract they have to wait until aged 60.
But this does not cause any

problems.

From July I, 1988 investors can switch the accrued benefits from n retirement annuity contract into a personal pension at any time but they cannot reverse the switch — it is n one-way option.

So the self-employed can take out a retirement annuity contract before the deadline. If in tract before the dendline. If in subsequent years they decide that they would like access to the benefits earlier than at the age of 60, they can simply switch to a personal pension.

The decision need not be taken until the actual moment when the benefits are required. The switch lnto a personal pension and then taking the benefits from that personal pension can be made virtually eimultaneously according to the pension of the personal pension.

days. So when do the self-employed

Deadline for a simple strategy

The six-month delay means that the change-over will now ployed and their advisers have to take place in the financial year make on the retirement annuity

that the change-over will now take place in the financial year 1988-1989. So for the current tax year 1987-1988 the self-employed can continue their ponsion planning as normal.

However, any action taken in the year 1988-1989 must take place before the deadline of July 1.

However taken in the financial year in the current tax in fact increase contributions—both on a regular basis and for once-off single premium payments.

Uotil now, retirement annuity contracts issued by certain life

Uotil now, retirement annuity contracts issued by certain life

Some life companies used not to bother about annuity payments and they have an Indifferent record. In the future they might pay more attention to their annuity rates

take out n contract for at least a Standard Life is one such life minimum contribution and sort company. It has just launched n

Many self-employed people wait until near the end of the tax year before deciding what companies did not have the facility to increase premiums within the same contract. The company oncerned issued n new contract cach time the investor wanted to increase his contributions.

Thus, it would be advisable for retirement innuity contracts checked out by April 5,1988. Then they can forget about 1988-1989 until the normal time later in the year.

However, if the self-employed do leave matters until 1988-1989 that is required to be done before the deadline is to take out n contract from these company. It has just launched n leave not really bothered about annuity payments and they have an indifferent record. This situation could change and in the future companies might pay far the self-employed already hold contracts from these companies that cannot accept increased premiums. But if the self-employed already hold contracts from these companies that cannot accept increased premiums within the same contract. The company concerned has a good annuity record. Some life companies up to now the investor wanted to increase his contributions.

These life company oncerned has a good annuity record. Some life companies up to now the investor wanted to increase his contributions.

These life company oncerned has a good annuity record. Some life companies up to now the investor wanted to increase his contributions.

These life company and they pay the money to the tax pays a good annuity record. Some life companies up to now the investor wanted to increase his contributions.

These life company and they is the time that tax pays a good annuity record. Some life companies up to now the investor wanted to increase his contributions.

These life company and they is a good annuity record. Some life companies up to now the investor wanted to increase premiums. But if the self-employed already hold contracts from these companies in the contract nnd had taked.

contract and will be mailing all existing holders of its retirement annuity contracts to inform them of the situation and to

them of the situation and to advise them to take out a further contract.

O-Check that any new contract is with a life company which has a track record of paying consistently good annuity rates

Up to now, when n self-employed person wanted to take his pension, he (or she) was not confined to buying the annuity from thed to buying the annulty from the life company with which he had retirement minuity con-tracts. He could take the accrued value of the contract and shop around among all life companies for the best annuity rate - the

so-called *open market option.*
Under the new system, if the self-employed wishes to exercise the open market option, then the retirement nanuity contract
would technically be switched
into a personal pension with a
selective life company and then
the benefit would be paid as for a personal pension. In that case, the self-employed would lose the higher cash sum benefit, avail-able on a retirement annuity

So to retain this higher cash sum from the retirement annuity contract, the self-employed must take the remaining pension from the life company that has issued the contract and not use the open market option.

Personal choice for employees

not members of n company pension scheme have always been able to take out retirement annuity contracts. But to date very few people have taken advantage that they will get from that few people have taken advantage of this facility. There was a rejuctance by such employed persons to pay contributions in addition to those paid into the State Earnings Related Pension Scheme (Serps).

However, employed persons who are members of a company

who are members of a company pension scheme cannot invest in a retirement manuity contract.

A new marketing situation has arisen with the introduction of

personal pensions, which life companies are keen to exploit.

The new personal pensions will have two components. The first tier known as the appropriate pensions will apply an analysis and the pensions. ate pension will emble an employee to contract out of Serps the contribution pald, being the national insurance contracted out rebate together portion of this contribution, plus the incentive payments.

The second feature of the new pension situation is that from pension situation is that from the appropriate pension. As with the self-employed, an employee can be becomes completely voluntary on the part of the employee. No longer can he be forced to belong to his company scheme as a condition of employment. The employee, if he so wishes, can make his own pension arrange ments through personal pensions or leave it to Serps or have a combination of personal pension of fit than that provided by Serve in the situation of the self-employed, an employee can always switch from the appropriate pension. As with the self-employed, an employee can always switch from a retirement annuity contract to n personal option.

Thus, employees who are currently not in a company pension scheme and wish to pay more than the minimum into n personal pension or get more benefit than that provided by Serve.

combination of personal pension

EMPLOYED PEOPLE who are not members of n company pension scheme have always been make further contributions on the existing retirement annuity out their affairs.

both first and second tiers.

The second feature of the new pension situation is that from April 6, 1988, membership of n company.

The second feature of the new pension is that from cash on benefit from the appropriate pension. As with the company pension are pension. As with the company pension are pension.

rently not in a company pension scheme and wish to pay more than the minimum into n personal pension or get more benefit than that provided by Serps fit than that provided by Serps self-employed. nd Serps.

However, till personal pensions annuity contract before July if

ry in Serps but to hoost the pension ge that they will get from that scheme.

There is no reason why nn members of a company pension scheme and who intend to opt the second tier before taking out the first tier, that is he takes out taking out either the first tier annuity contract to too of Serps or the second tier on too of Serps (the current situation for employees) or taking out both first and second tiers.

The second feature of the second second tiers.

By this means the employee out their affairs.

For those employees currently members of a company pension out and make their own arrangements, then their strategy should be to leave the scheme and take their own arrangements, then their strategy should be to leave the scheme and take their own arrangements, then their strategy should out as second tier retirement annuity contract by June 30. The first tier appropriate pension can be arranged later.

arrangements.

always switch from a retirement annuity contract to n personal pension, but this is a one-way option.

Thus, employees who are currently not in a company pension

Thus, employees who are currently not in a company pension



What will your pension offer when you retire?

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future increase in contributions

will have to be msde under a personal pension. People who already bold a contract should

check this facility is included.

If it is not, they should update
it with a more flexible plan
before the June 30 deadline.

debatable whether this actually imposes a limit at all.

a personal pension at this stage.

One final argument for the

In conclusion, there is nothing

of the tax year. That would

retirement and higher tax-fre

cash to a later date when the

individual is in a better position

Debbie Harrison Financial Adviser

For those who think they can

Nothing to lose from acting now

WiTH THE growing trend towards a shorter working life and the Government's drive towards private pension arrangements, it is more impor-tant now than ever before to make financial provision to ensure a long and comfortable

For the self-employed and employees whose companies do not provide a group pension scheme there is no better way to make this provision than through a retirement annuity

Employees in non-pensionable employment may well feel that their compulsory payments into the State Earnings Related Pension Scheme (Serps) through National Insurance contributions will provide an adequate income when combined with the hasic state pension. However, the impending reduction in Serps from 25 per cent to 20 per cent has made the resulting benefits less than adequate.

For the self-employed Schedule D tax-payer there is not even the option of contributing to Serps. For this section of the population, in the absence of a private pension, the only guaranteed entitlement on retirement is the basic state pension which is currently \$3,289 per

annum for a married couple.

The self-employed retirement annuity contract is an excellent tax-efficient vehicle for retirement savings. The contract, often referred to as a Section 226 contract, was introduced in the 19546 Finance Act and con-solidated within sections 226 -228 of the Income and Corpora-tion Taxes Act 1970, From the beginning of July this contract will be replaced by the new

ity are taken in the form of tax-free cash and an annuity the latter providing the regular income. The maximum tax-free of the tax year cash available - naturally an important feature of the con-tract - is a higher percentage of the total fund than is avail-

April 1987) on tax relief for rather like the current Miras contributions to a self-em-system for mortgage tax relief.
ployed pension contract are as Clearly, the aim of the shown in the table.

to a life assurance policy - a terms of choice of retirement useful and under-used option, particularly as tax relief is not minimum and maximum age normally permitted on life limits when benefits can be

To achieve even greater tax

efficiency, it is possible to make
use of the six-year "carry back"
and "carry forward" provisions
whereas the new personal penfor unused relief. For example, sion, available from July, per-premium contributions can be mits retirement from age 50.



The basic state pension for a married couple is £3,289 a year but the genteel poverty of old age can be avoided

_		
	TAX RELIEF FOR CONTRIBUTIONS	
	% of earnin	g

je	TAX NEELE	%
and less -55 -60		17.5 20 22.5

Current limits (from April 1987) for a self-employed pension contract.

personal pension.

Retirement benefits from the self-employed retirement annument of the self-employed retirement of the self-employed retire premlum – the former probably divided into individual self-congrows suited to the self-employed who usually make their contributions towards the end of the tax year.

Tax relief for the self-employed is obtained through a direct claim to the lnland Revenus secumulsted pension.

Cles. Where a sample cretirement and the prevailing the final pension. Fairchuos, interest rates, it is impossible to more than one contract, can be calculate an exact percentage the following example: a one-when taking out a pension. The policy-holder wants to cash in part of the benefits at an earlier date than the rest of the accumulsted pension. ployed is obtained through a direct claim to the Inland Revenue. Under the nue. Under the nue.

nue. Under the new personal Self-employed retirement can expect over 38 per cent. able on the new style personal pension regime, however, pension contracts. annuitles are available to both the self-employed and employ-ees in non-pensionable employpension contracts. employees' contributions will receive tax relief at source, ment. But in addition, due to various hiccups in the timing of the new pensions and regula-tory legislation this year, a gage loan-rather interesting anomaly has A word self-employed pension is to pro-Up to 5 per cent of this tax vide a long-term savings vehicle relief can be used to contribute and while there is flexibility in

postponed personal pensions apply.
until July, leaving a threemonth gap in which an tion is removed, the choice of carried back to a previous tax

One valuable feature common until July, leaving a threeyear at a higher level and to to both the self-employed penprovide a tax refund.

Most contracts provide considerable flexibility on premium contributions but the sentemployee pension and the new personal pension and the new personal penemployee can leave the company scheme and still be able to
fits while continuing at work.

This is not permitted in a group

While this would not allow the employee to contract out of lump sum. The ability to increase premi-ums is a vital feature of any Serps - the new-style personal pension is necessary for that - it is worth considering taking retirement annulty contract. If a plan does not permit this, any

It is worth considering a self-employed contract to get the higher tax-free cash

out a self-employed contract in order to obtain the higher taxfree cash. This does not prevent an employee from taking out a personal pension in July. There is no limit on the number of contracts an individual holds provided contributions stay within the permitted tax relief limits.

So what are the points in favour of the retirement anna-ity contract, which will disap-pear from the shelves of pen-sion providers after June 30 to he replaced by "this year's model" - the personal pension

Although they are similar in many respects, there are sev-eral important advantages in taking out a retirement annuity

contract while stocks last.

The most significant difference is the amount of tax-free cash available on retirement. For a personal pension this bas been set at a maximum of 25 per cent of the total fund, whereas on a retirement annuity contract it is usually 30 per cent and often higher.

The retirement annuity iump

sum is calculated on the basis of three times residual annuity retirement annuity contract is the delay factor. A year's delay will lose valuable investment time and considerably reduce rather than as a set percentage of the fund. As annuity rates vary according to sex, age at time and considerably reduce retirement and the prevailing the final pension. Fairchilds,

The extra tax-free cash will be welcome to most people fac-ing retirement, particularly from taking ont a retirement Ing retirement, particularly from taking ont a retirement where the pension contract is annuity contract, particularly if used to fund the capital repayment on an interest-only mort-

word of caution on the ing the decision between early rather interesting anomaly has A word of caution on the arisen for the employee in a final annuity arrangements.

Omnany scheme.

A word of caution on the final annuity arrangements.

Under an open market option, Under current legislation it is contract holders can choose the compulsory for employees to best annuity available, which join a group scheme if one may not be from their current exists. However, from April, pension provider. However, as employees can, if they wish, the legislation currently stands, the legislation currently stands, the legislation currently stands. opt out of the group scheme exercising this option is and make their own provision. regarded as taking out a new Delays in implementing the contract under which the 25 new regulatory timetable have per cent tax-free cash limit will

> pension provider must take into consideration the company's annuity track record as it may be necessary to stick with the

Investments

How to stay in the driving seat

RETIREMENT ANNUITY con-

RETIREMENT ANNUITY con-tracts are a highly tax-efficient means of providing pensions for the self-employed. But because only life companies can issue such contracts, it does mean that the self-employed person does not have complete control over the investment of the contributions. He cannot the contributions. He cannot use his own adviser for this part of his investments.

Most self-employed people

With all the talk about June 30, it is important not to overlook April 5. Contracts effected before the end of the tax year will be able to "carry back" premiums into the 1986-87 tax are quite content to leave all the investment decisions to the year when basic rate tax relief was set at 29 per cent, rather than the current 27 per cent. life company hy either taking out with-profit or deposit administration contracts or investing in managed funds under unit-linked contracts. If the self-employed wants to Apart from the tax-free cash

arrangements, the main differ-ence between the two types of pension plan is the minimum be involved to some degree in the investment process, then he can use unit-linked contracts which have a wide range of retirement age, which on a per-sonal pension is 50, and on a retirement annuity contract is The current limit on tax-free cash is £150,000, although as this seems to apply per contract underlying investment funds -UK and overseas equities, property, fixed-interest and cash. Under these contracts, the and many contracts operate on ciuster arrangement, it is

self-employed has the facility to spread his contributions between the various funds and to switch existing holdings for those who think they can afford early retirement, the personal pension may seem more appropriate. However, as a switch from a retirement annuity contract to a personal pension can be arranged simply and quickly at any time, this is not an argument for favouring a personal pension at this stage. between funds.

In this manner, the self-em-ployed can select the asset mix - the strategic investment deci-sions. But the management of each underlying fund, involving the selection of the stocks. remains with the life company.

However, if the self-em-ployed wants complete control, there are two alternative routes

he or she can take to achieve The first method relies on life companies issuing special retirement annuity contracts to groups of self-employed people

investment rests with the self-employed and his/her investment manager.
The requirements of such

schemes set up is one of the largest providers, are (1) a minimum contribution of \$20,000
to set up the scheme, together with (2) an annual payment of continuity in ownership when a at least \$2,000 a year for each member of the scheme into Sum. Many of these schemes are Life's ordinary retirement set up with the sole purpose of Life's Short largest providers, are (1) a mintagest providers, are (1) a mincan consist of the properties, have confirmed the continuation of friendly societies within the return of the new pensions framework coming into being later this year by allowing them to offer personal pensions.

Eric Short

annuity contract, including the life cover clement.

Thus these schemes are very much up-market, aimed primarily at the professional part-

nerships.
However, the self-employed can start off with ordinary retirement annuity contracts and, when these have sufficient value, then switch into these special schemes.

The very large schemes can negotiate special terms regard-ing contributions into ordinary ing contributions into ordinary retirement annuity contracts.

These special schemes operate on a unitised hasis. Although the investments are managed by the self-employed's own manager, the assets are technically held in the name of the life technical and have to the life technical and the life t

the life company and have to comply with the regulations for unit-linked life assurance per-However, the range is extremely wide and is revised periodically. issible assets.

The main exclusion is resi-

dential property - the scheme cannot be used to finance the purchase of hoilday homes either in the UK or overseas. The adviser has to be approved by the life company. This requirement will be reinforced when the Financial Services Act comes into operation in April, when snyone managing the investments of funds will have to be author-

So the self-employed will be allowed to manage their own investments provided they use firm of professional invest-

Nevertheless, the seif-employed can discuss investment matters with the managers and

own investment manager, subject to approval by the life company.

The benefits provided and the contribution terms are the same as for ordinary retirement annuity contracts. But the There are however several other advantages using these

special schemes scheme as charged by Sun Life the purchase of property for Assurance, which with 550 use by the partnership. Indeed, schemes set up is one of the the entire assets of the contract

annuity contract, including the property. If at ourset the value is in excess of the immediate contribution payments, then the life companies will allow a phased transfer in of that property.

phased transfer in or that prop-erty on a unitised basis.

The usual loanback facilities apply to these special retire-ment annuity contracts.

Sun Life charges '2 per cent management charge plus \$20 per deal. This course the course

management charge plus 520 per deal. This covers the costs of the life company settling the deals, performing the valuations and providing the necessary disclosure information to members. The fund itself bears the dealing costs and the investment manager's fees.

The afternative method of

investment manager's fees.

The alternative method of controlling the investments is for the self-employed to set up a friendly society.

It needs just a minimum of seven persons to apply for a friendly society to be approved by the Registrar of Friendly Societies. Any seven people can get together to put in an appli-

The main attraction of use of the friendly society to provide retirement annuity contracts is that the investment is under that the investment is under the control of the members, subject to the requirements of the Financial Services Act, and the assets are held in the name of the society. No third party is involved as with the other

method. However, there are several disadvantages. It is a compli-cated adminstration procedure to set up a friendly society. Expert guldance is essential and this is provided by various firms of consulting actuaries.
The investments themselves

are restricted under friendly society legislation to gitts, land and property, mortgages and other trustee investments. The underlying funds can only invest a certain proportion

of their assets in equities, unlike the life company route where up to 100 per cent can be held in equities. There is also some nacer-

They can be used to finance tainly over the position of small friendly societies within the relevant EC Directive. However, the authorities

Fimbra's rules

Advice must be the best

A PROFESSIONAL financial than another. The recently adviser should have the necessary expertise to design the right format to meet his clients' mediaries, pension needs, even in the most complicated of cases. Indeed, the financial services legislathe interest and visers to this duty.

It is not made clear in resolved, the next stage in the a condition of achieving author
this duty.

The interest and visers to this duty.

What is not made clear in resolved, the next stage in the accordance in the selection of a life company However, the independent

financial adviser has an added responsibility towards his client compared with the direct life salesman representing just one company – that of recommending a suitable life company or companies to provide the products. Advisers under the "best

advice" requirements of the financial services rules are required to select for their clients those companies that can be expected to provide the best investment return on retirement annuity contracts.

This concept of best advice is

causing considerable problems for independent financial advis-

Normally, It is a straightforward task to select the life com-pany which is providing the highest annuity rates at a par-ticular moment. This market is closely mooitored and the adviser needs access only to one of the monitoring systems. But it is a very different situ-ation for the adviser to select

the life company which is going to accumulate the largest cash sum over the period to retire-ment from which to buy the

There is no simple statistic which will show that one life company is going to do better

through a tax-exempt

Details from

Retirement Annuity Policies (S.226) and the new Personal Pensions can be

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FRIENDLY SOCIETY

R.A.J. WADDINGHAM

Consulting Actuary

The recently published rules the discussions. Actuaries from Fimbra (Financial Inter-themselves find the task of mediaries, Managers and Bro-kers Regulstory Association) the basis of current information make it very clear that indepen-virtually impossible. dent financial advisers have

those rules is how the adviser selection of a life company carries out this responsibility varies as to whether it is a

Even actuaries find it impossible to assess

financial strength on current information

other than he must take reason-able steps to ensure that his tract that is being recom-recommendation conforms with best advice – reasonable being a unit-iinked a lawyer's standard phrase company, the adviser has to It seems certain that the oldstyle practice of advisers of

style practice of advisers of taking the underlying financial strength of a life company for granted will no longer apply. The recent troubles of two ng-established traditional life companies - United Kingdom Provident Institution and Lon-don Life Association - have knocked that assumption on the team

The adviser's first step in meeting best advice is to ensure the financial security of the companies being recommended. How he does this is by no

means clear. The actuarial profession is currently discussing how the information provided by companies in their annual returns to the Department of Trade and Industry should be extended to provide more information on the underlying financial strength of that company.

virtually impossible.

But once the question of

In selecting a unit-iinked company, the adviser has to assess the future investment performance of the company.

teams, orten starting from the in the case of the two compatop. Investment managers are nies mentioned above which
moving around far more than in ran into problems, one of the
the past, so it is now much contributory features was rapid
more difficult to assume continuity in the staffing of a life
company's investment team.

Still, at the end of the day if

knowing and understanding how the life company operates. But it is far easier for the adviser to be sidetracked into using some easily identifiable statistic to select the best per-

forming company. Until recently, advisers tended to rely exclusively on illustrations of projected matu-rity values on current bonus rates - the company with the highest projection was the one

commended. Now such projections have to be done on a common basis and are no guide in selecting compa-

Advisers are now focusing or past performance tables, free asset ratios taken from a company's DTI returns as well as the current trend in a compa-

company's investment team.

At the end of the day, there is no substitute for the adviser making his own assessment of the life company's investment strengths is deciding on choice of company.

This is also the basic advice when selecting a traditional life company for with-profit busi-

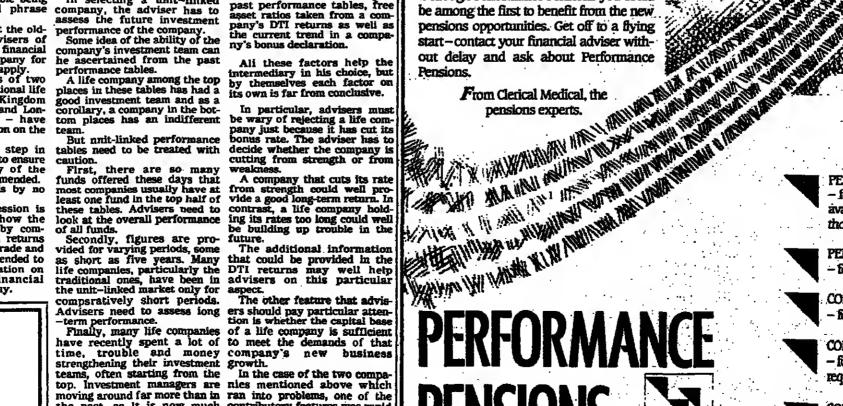
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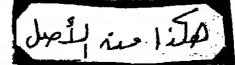
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of the product and in the life company issuing that product. If

this is not the case, the indepen-dent financial adviser must dis-

The Financial Services Act comes into operation in April

Protecting investors from unprofessional advisers

AN INDIVIDUAL investing in a retirement annuity contract has to make several decisions in what should be a carefully thought-out specific financial planning exercise with the ultimate objectives of providing an adequate income in retirement annuity contract. By the very nature of sum available at the time of time if that target or two life companies or independent financial advisors deal income in retirement to be pendent financial advisors deal in the clear to the cle

This requires the individual paying sufficient contribution level out of his income, up to Inland Revenue limits, and

level out of his mome, up to Inland Revenue limits, and investing those contributions in the appropriate contract with a selected life company that can provide the required investment return to secure the reliement income and cash sum.

However, it is not easy for the individual to ascertain the required level of contributions that should be paid in a year, allowing for both the carry-back and carry-forward provisions, particularly for people with highly variable earnings. If individuals contribute what they think they can afford, then the ultimate pension is likely to be far from adequate, simply because the amount paid in is likely to have been too low.

Next, in the choice of contracts and life company tha individual is faced with a variety of contracts from a number of life companies, each with quite different investment funds. These vary from building society deposits, with-profit contracts and unities dlunds which invest in the complete investment spectrum—cash fixed interest contributes (UK)

complete investment spectrum - cash, fixed-interest, equities (UK

and overseas) and property.

The investor needs to understand the underlying risk/reward features of each type of fund. The stock market crash last October has given investors a timely reminder that invest-ment risk is a real factor to be

in in it

If individuals contribute what they think they can afford, the ultimate pension is likely to be far from adequate because the amount paid in will have been too low

give advice on the financial aspects, especially as to what contributions can be paid from a year's earnings. The self-employed will have their own accountant for at least preparing tax returns and that accountant, familiar with his client's financial circumstances should be well placed to give the contribution advice.

Soliciturs are often involved in that financial affairs of clients and their advice will cover many aspects of Investment including

dent financial adviser must disclose to the client the amount of
commission being received for
selling a particular product. In
any event, the client himself
always has the right to ask for
the commission to be disclosed.

The illustration of ultimate
benefits on a contract will be on
a controlled, realistic basis.

There will be an official
complaints procedure that can

their training and profession, they will have different approaches to the planning exercise.

Accountants are well placed to give advice on the financial aspects, especially as to what

tion advice.
Solicitors are often involved in tha financial affairs of clients and their advice will cover many aspects of Investment including pension arrangements.
However, accountants and solicitors are not necessarily so well placed when it comes to advising on the choice of contract and life company.
The larger firms of accountants and solicitors have specialist financial adviser departments — usually their own insurance broking operation — and can give as a dealing with a purely independent intermediary or a company representative. Often the decision is not entirely clear as to in which capacity the Intermediary is operating. However, this situation will change in April when the 1986 Financial Services Act is scheduled to come into operation. The overall objective of this legislation is to protect investors by ensuring that only authorised persons and firms can deal in or pendent intermediary or a company representative. Often the decision is not entirely clear as to in which capacity the Intermediary is operating.

However, this situation will change in April when the 1986 Financial Services Act is scheduled to come into operation. The overall objective of this legislation is to protect investors by ensuring that only authorised persons and firms can dealing with a purely independent intermediary or a company representative. Often the decision is not entirely clear as to in which capacity the Intermediary is operating.

However, this situation will change in April when the 1986 Financial Services Act is scheduled to come into operation. The overall objective of this legislation is to protect investors by ensuring that only authorised persons and firms can deal in or advise on investmental the outset in the objective.

broking operation – and can give ment annuity contracts from a a highly professional service on life company are classified as all aspects in advising on pensions and arranging retirement annuity contracts.

The purpose of authorisation is to ensure persons in the investment risk is a real factor to be taken into consideration.

It is apparent that most individuals will require financial advice from a professional adviser, many of whom are themselves self-employed, in arranging their retirement annuity contracts.

The smaller high street practice of accountants and solicitors and honest. The provisions of usually deals with just two or three life companies or has tence and honesty are completed once the first retirement annuity contracts is with whom the firm will channel business.

On the other side of the coin, stances of individuals are constantly changing and the planning will need to be revised from a highly professional service on in decision and arranging retirement. The purpose of authorisation is to ensure persons in the investment and honest. The provisions of the Act to ensure this competitive or the first retirement arrangements with a life specialist with whom the firm will channel business.

On the other side of the coin, there are the life specialists either be truly independent or representatives dealing with one

Why pension mortgages are so tax-efficient

Loanbacks

PENSION ARRANGEMENTS are highly tax-efficient means for saving out of income towards providing cash and pension at retirement. But they have the disadvantage of locking away assets until the time of retirement, assets that the self-employed may well want to use in his business.

However, the assets in a pension arrangement can be unlocked by means of the loan-back facility available on a retirement annuity contract, a facility that has been available only for about a decade.

There are two forms of loan-back available to the self-em-

ployed.

The first applies to an existing retirement contract which has been in force for some time and has accumulated a reasonable sized value. The investor can borrow from the life company up to the current value of the con-tract, or a high percentage of that value, providing it does not exceed the anticipated cash

the assets backing the contract and, under inland Revenue rules, the interest charged must be at a commercial rate - at least three points over base rate.

This loan facility is virtually automatic for the self-employed. automatic for the self-employed.

There is no requirement for status of the borrower, purpose of the law or any other factor usually associated with taking out a loss of the self-employed.

In both types of loan, repayment is intended to be made from the tax-free cash sum available at retirement.

Since, under Inland Revenue

Under inland Revenue rules, retirement annuity contracts cannot be assigned. Some other asset must be used as collateral. In most cases, this will be a house

fixed multiple of the premium being paid to the contract – usu-ally 15 or sometimes 20 times the

or the current value of the contract, or a high percentage of takes out a retirement annuity contract paying en annual preexceed the anticipated cash value.

The loan then becomes one of the contract paying en annual premium of \$5,000, he can borrow up to \$75,000 or in some cases up to \$100,000.

op to \$100,000.

Often, the multiple which the institution is prepared to lend depends on the status of the borrower, with professional classes qualifying for a higher multiple.

Again, the interest paid has to

be at a commercial rate.

In both types of loan, repayment is intended to be made

gage. This type of facility enables individuals to use the pension contract to pay off their mortgages and has become very

popular with the sentence oppular with the sentence oppular with the sentence oppular with the sentence oppular with the pays interest only mortgage under which he pays interest to the lender on the mortgage throughout the term. The loan is repaid from the term. The loan is repaid from the sentence oppular with caution, since they used with caution, since they commit the investor, in advance, to using his tax-free lump sum for the specific purpose of paying off the loan.

Despite this, many investors have taken out retirement annuity contracts specifically to the specific purpose of paying oppular with caution, since they used with caution, since they commit the investor, in advance, to using his tax-free lump sum for the specific purpose of paying off the loan.

Despite this, many investors have taken out retirement annuity contracts specific purpose of paying off the loan. so the individual will be required ity contracts specifically to to make contributions sufficient to secure the cash sum that will ity not been available, then they

pay off the mortgage.
Again, the only collateral is the house though the borrower will usually require the self-employed to effect life assurance.

would not have taken out a contract, thereby not making any provision for themselves.

Eric Short

The second type of loanback relates to both new and existing retirement annuity contracts.

The individual borrows from a some other asset as collateral. In the tax relief on the interest payment, in the individual will be a some other asset as collateral. In the contributions of the contributions of the contributions. financial institution, which is not normally the life company issuing the contract. The amount of the loan is a maximum of a some other asset as collateral. In ments, the investor gets but way most cases, this asset will be his nost cases, this asset will be his not normally the life company issuing the contract. The amount of loanback – the pension mort.

This leads on to a special form of loanback – the pension mort.

The life cover can also be done

The life cover can also be done in conjunction with the retirement annuity contract, with an investor getting full tax relief on the contributions.

The original purpose of loanbacks was to provide a source of finance for the self-employed to the self-employed use in their business develop-ment in a similar manner to loanbacks on executive pension arrangements.

arrangements.

However, the use of loanbacks has gone far beyond this original concept. For the self-employed tend to use the loanback as much for personal as for business uses – for private loans, second homes and other items.

Newstheless learnaches and

would not have taken out a con-

Choosing the right type of policy

Best of both worlds is also on offer

ONE OF the great benefits of a competitive market is that it creates variety and choice. Because the retirement ainmity market is so highly competitive there is consequently a wealth of different types of contract from which

to choose.

Basically, however, the policie Basically, however, the policies can be broken down into two-fairly distinct types, namely "with profits" and unit linked according to the amount of investment risk inherent in each. A with profits policy is popular with those who want the security of steady, if somewhat conservative, growth in their pension benefits, rather than the sort of volatile investment performances which tend to be associated with unit-linked policies (and which have been experi-(and which have been experienced in recent months).

With profits policies provide guaranteed minimum benefits and each year the life office will add reversionary bonuses to the plan to increase those benefits. Once these reversionary bonuses have been added, they belong to the policyholder and cannot be taken awsy.

The rate of reversionary hours.

The rate of reversionary bonus varies with each life office and although it is derived from investments made by the life office, it will not directly reflect the growth achieved but instead will smooth out fluctuations. That is why, despite recent stock market falls, values of with prof-its policies maturing now remain largely unaffected.

An increasing number of life An increasing number of me offices add special reversionary bonuses from time to time to reflect exceptionally good investment performance, and once added these also cannot be taken away. In addition, the accumulated value of a with profits policy will, in most cases, be so it is much more volatile than increased at retirement by the away. In addition, the accumu-lated value of a with profits pol-icy will, in most cases, be increased at retirement by the addition of some form of termi-addition of some form of terminal bonus, which will reflect capital growth achieved over the years the policy has been in force. However, terminal bonuses are not guaranteed to be payable and may be reduced or even gronned completely if mareven stopped completely if mar-ket conditions dictate.

The second table shows the effect of the 1987 stock market the end of last year gave rise to serious concern over the prospect for terminal bonuses and life offices are even now declaring their rates for 1988. Reversionary bonuses, on the other hand, depend mainly on dividend income and because that has not been greatly affected by the stock market fall, reversion-

With profits policies:topperformers WITH PROFITS POLICIES: TOP PERFORMERS

r-	Five years	e .	Ten years	
h	Scottish Life	22,651 22,645	Scottish Life Equitable Life	
y	Scottish Anticable Equitable Life	52,529 52,523	Pearl FS Assurance See Alliance	

Figures are for £1,000 single premium paid by man aged 60 at outset for 5-year term, aged 55 for 10-year term, retiring at age 65 on September 1, 1987. Source: Money Management magazine.

Effect of stock market collapse

UNIT-LINKED PENSION FUNDS: CHANGE IN AVERAGE FUND VALUE. October 1987

Managed Equity International	-21.2% -25.3% -25.5%	-4.4% -7.3% -4.6%
North American Far East	-27.8% -32.8% -30.1%	-8.8% -2.9% -1.2%
Money Fixed Interest Index Linked	+1.6% +3.8% -1.6%	+0.6% +1.4% +7.4%
Property	-2.0%	-0.4%

Over the past 12 years of the bull market, many unit-linked policies have performed spectacularly, easily outstripping even the best with profits policies. But the fall in the stock market last year wiped off something like 30 per cent of values.

The second table shows the

The second table shows the

ary bonuses are not expected to be badly affected, if at all. The table shows the top five performing with profits policies over five and 10 year terms for a £1,000 single premium.

Under a unit-linked policy, each premium paid buys units in an underlying fund or funds, chosen by the policyholder. The worlds of the funde will to m and charges in the same way as a

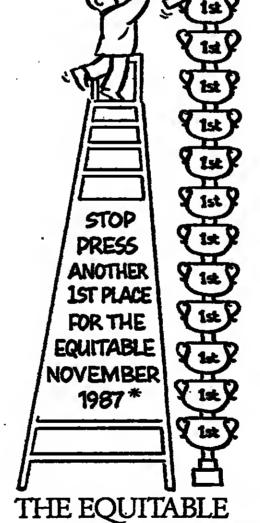
with profits fund, and bears charges in the same way as a unit-linked policy.

However, at the end of each year the growth in the underlying fund is distributed to policyholders in the form of a bonus which, like a with profits policy, once added cannot be taken away. Because the bonus will directly reflect the growth in the directly reflect the growth in the underlying fund, the rate of bonus should go up and down in line with the growth achieved.

Many of the life offices offering this type of plan also include a guaranteed minimum bonus rate which is usually about 4 per cent a year. Switching is also possible between the with profits and other unit-linked funds of the life office.

> Janet Walford Editor, Money Management

Which company would you buy your pension from?



NEAREST RIVAL

Number of 1st places in surveys of regular contribution with profits policies for the self-employed as published by Planned Savings magazine 1974 to 1987 inclusive.

Many companies will be competing to handle your pension but which should you choose?

As the oldest mutual life assurance company in the world The Equitable's 225 years of experience clearly sets us apart. However, it is not just our longevity you should consider.

OUTSTANDING TRACK RECORD For the past 14 years Planned Savings

magazine has surveyed regular contribution with profits pension policies for the self-employed. Of the 25 tables published for 10, 15 and 20 year terms, The Equitable has come top in 13 and second in 6 more. An unrivalled achievement.

Quite simply, in that period, we have more first places than all our UK competitors put together

TOP PERFORMANCE

Also, do not make the mistake of thinking there is little to choose between pension companies.

If you had retired on 1.9.87 aged 65 you'd have been 55% better off with The Equitable than with the worst performer amongst our competitors.*

The Equitable flexibility, too, is outstanding. You can retire at any age between 60 and 75 without any penalty and are free to vary your contributions as you wish. Furthermore, The Equitable offers a wide range of investment routes including both with profits and unit-linked schemes. And unlike many companies which make hefty charges in the form of low initial allocations or so called capital units to cover the setting up costs of your unitlinked policy, The Equitable makes no such charges. Also, our ordinary management charges for the underlying investment fund are commendably low.

How do we achieve this?

NO COMMISSION

The Equitable has never paid a penny of commission to brokers or other middlemen for introduction of business. So more of your money is available for investment.

NO SHAREHOLDERS

Nor does The Equitable have any shareholders to nibble away at the profits.

EXPERT INVESTMENT

The Equitable has one of the finest investment teams in the United Kingdom and currently manages more than £3bn on behalf of its clients.

Of course, the past cannot guarantee the future but we think you'll find The Equitable's efforts on behalf of our clients give unrivalled results.

So if you want the best in Pension Plans, just write to The Equitable Life Assurance Society, FREEPOST, Walton St, Aylesbury, Buckinghamshire HP21 7BR or call us direct on 0296 26226.

*20 year regular contribution with profits policy — Planned Savings Survey November 1987.



The Equitable Life

Homage to a poet, mad, bad and dangerous to know



The Thorwaldsen statue of Lord Byron

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*A*udemars Piguet

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College.

Byron sat for Thorwaldsen at years had now passed, it his atudio in Rome in 1816 appeared to many that an when one of the poet's friends unforgiving nation was determined to have the last petty but he was rather embarrassed vindictive word on the poet it but he was rather embarrassed by the whole business. Busts, he felt, were for dead conquerhe felt, were for dead conquer-ors, not live poets. He would not keep still, the sculptor recalled, and put on a melan-choly face which the sculptor ignored. The resulting portrait was said by Byron's friends to be a perfect likeness, although Byron himself wished he had here made more byronia When been made more Byronic. When Lady Byron saw the full-length version, she shed tears. "Yes, it is wonderfully like my dear Byron, only not half so beauti-

Tul."

The Thorwaldsen statue was designed to stand in Poets' Corner in Westminster Abbey. It was commissioned and paid for by a committee of noblemen, politicians, men of letters and friends. Sir Robert Peel, shortly to be prime minister, had been in the same class as the lame. in the same class as the lame boy at school. The lord chief justice represented the law and the president of the Royal

Academy the arts.
Sir Stratford Canning, who had played cricket against the poet in the Eton-Harrow match and showed him the sights of Constantinople, had a closer connection which he kept secret he was one of the distraught connection which he kept secret

he was one of the distraight
but fortunate young men who
had been turned down by Annabella Milbanke before she married Byron. Sir Walter Scott,
the only author with a reputation comparable to Byron's,
was delighted to honour his old
friend. Benjamin Constant represented the writers and readers of France and Johann
Goethe those of Germany. Lord
Byron was one of the greatest

dead as its author. Thomas
tained the names of several
men who had featured in
English Bards and Scotch
Reviewers, which Byron had
dashed off in reply. A number
of high Tories joined in the
same spirit.

The admission of poets to the
second-rater. Robert Southey,
by accident. Geoffrey Chaucer,
was allowed to jostle the monument to Shakespeare (Southey's
epics, Byron had commented,
abbey in 1400 not because he
would be read when Homer and

will assemble on a traffic island near Hyde Park Corner in west London. The annual laying of a wreath on the statue of Lord Byron takes place this year on the 200th anniversary of his birth. It will mark the start of a programme of celebrations, readings, lectures, conferences, visits, concerts, and other events, in Britain and abroad. The huge bronze at the foot of Park Lane is the most visible monument to the poet in London. It was erected in 1881 to remedy what was seen as a scandalous gap, but it is not likeable. For the finest statue of fary age - of this they were the disagreed with his ideas and loss and disaproved of his way of life. Ten years after Byron's succeed? Who would be honour-being whom? But even after the refusal of the Tborwaldsen statue, the campaign continued. The abbey authorities for perwission to donate the statue - refusal of the Tborwaldsen statue, the campaign continued. The abbey authorities as keepers of the nation'e unofficial pandulged to the prejudice of a too closely into a man'e perduty. The statue was left in the Customs of the offer opportunities for forgive-intended in the Customs of the abbey, his successor was equally adament. But when the old dean eventually took his offer opportunities for forgive-intended in the abbey, his successor was equally adament. But when the old dean eventually took his offer opportunities for forgive-intended in the abbey, his successor was equally adament. But when the old dean eventually took his of the Opposition who arranged his funeral. Pitt's lifelong opponent, Charles James Fox, was his studio in Rome in 1816.

had once adored and then driven into exile.

The French government, quick to spot an opportunity, let it be known that the Thorwaldsen statue would be more than welcome in the Louvre.

Other destinations were

Even after Byron's statue was refused a place in Westminster Abbey the campaign to honour him continued

AT 8 O'CLOCK next Friday geniuses of the age and perhaps morning, a group of enthusiasts of any age - of this they were all sure, even if some of them near Hyde Park Corner in west London. The annual laying of a wreath on the statue of Lord Byron takes place this year on the statue of Lord Byron takes place this year on the statue of the this the committee applied to t

nent, Charles James Fox, was buried alongside him although Sir Walter Scott'e verses punc-tured the pathos even at the

Dropt upon Fox's grave the 'Twill trickle to his rival's

bier.

Among those who condemned the decision to exclude Byron's monument was Lord Brougham, whose lethal – but not unfair – review of the poet'e first book of conventional verses had stirred him to greater things: "With this view, we must beg leeve seriously to assure him that the mere rhyming of the final cyllable, even when accompanied by the presence of a certain number of feet - nay although, which does not always happen, those feet should scan regularly and have been all counted upon the finsuggested, but there can be litdid the doubt that Cambridge was
the best choice. Full-scale
copies now also stand in the
Borghese Gardens in Rome and
In the Garden of the Heroes at
Missolonghi in Greece, two of
the countries which Byron had
made his own.

Meanwhile, Poets' Corner had
more acceptable writers. By the
time Christopher Anstey
attived, his one poem was as
to dead as its author. Thomas
to Campbell, who was given the
full honours in 1844, wrote
some good verses but nobody
ever mistook him for a genlus.
Henry Cary was a sweet translator and William Gifford a
same spirit.

Sinvays nappen, those feet
should scan regularly and have
been all counted upon the fingers, is not the whole art of
poetry. We would expect him to
believe that a certain portion of
Ilveliness, somewhat of fancy,
ie necessary to constitute a
prom; and that a poem in the
present day, to be read, must
contain at least one thought
either in a little degree different from the ideas of former
writers or differently
expressed.

The Byron committee conand Scotch
Reviewers, which Byron had
dashed off in reply. A number
of high Tories joined in the
same spirit.

thans. Near to Chaucer in was himself voted a monument genius, proclaims the epitaph of the author of The Faerie Later of the Author of The Faerie Later of The Faerie Later of the Later 17th century the custom was again in full swing and was a monument was one of the few writers ever to refuse the proffered honour, maybe the only one, but he managed to have it both ways. His epitaph at Twickenham in sonthwest London, composed by himself, is inserfibed: "For one that would not be buried in Westminster Abbey." came next - seperated from John Fletcher, who is at South-wark - and then Ben Jonson and Michael Drayton. There was then another gap, but by the later 17th century the cus-

Criteria for admission to Poets' Corner were elastic. Seldom was a stand made on literary grounds

tered with tombs and memori-

rare Ben Jonson" was good, but who had heard of "O rare Sir William Davenant?" If Byron was an "indecent" writer, what about the Restoration drama-

Restoration government been towards its defeated political towards its defeated political opponents that it dug up some of their bodies from the abbey precincts and judicially hanged them from a gallows. Milton's nephew, John Phillips, author of a tepid poem on cider, was admitted to Poets' Corner but only on condition that the proposed Latin epitaph, "Second only to Milton," was altered. Absurd exaggerations of this kind were quite acceptable in kind were quite acceptable in the abbey - the forgotten Abra-ham Cowley is compared with Pindar, Virgil and Horace - but the name of Milton could not be permitted to pollute its walls.
Oliver Goldsmith imagined

"It is time enough," his guide replies, "He is not long dead and people have not done hat-ing him." A memorial to Milton had then arrived and Goldsmith was himself voted a monument

Westminster Abbey.

Pope was the English poet
whom Byron most admired and
whom in some respects he tried
to emulate. The teneion in to emulate. The teneion in Byron's writing between the romantic and the Augustan is the theme of an international conference being arranged by the Byron Society and the British Council in July this year. There was a similar ambiguity in Paracle attitude to mornari in Byron's attitude to memorials. In some ways they were ridiculous, even shaming, and yet... At Florence, he had

offered a hint: by the control of England, what about the Church of England, what about ag John Dryden who was a Roman in Catholic? Or St Evremond, a minor French essayist, scarcely in read even in his own day, who is death bed?

The church of Santa Croce contains much illustrious nothing the tombs of Machiavelli mand and Miseri make it the Westminster Abbey of Italy - I did not admire any of these tombs.

Cocasionally a stand was made; but seldom on literary grounds. For many years the authorities refused to permit a memorial to John Milton because he had served Oliver Cromwell. So bitter had the Restoration government been towards its defeated political.

inchronological - of whom I am one."

Later, he wrote: "I should prefer a grey Greek stone over me to Westminster Abbey - but I doubt I should have the luck to die so happily." The words were sincere when they were written. But Byron'e friends also knew how deeply he had been hurt by the torrent of abuse that had greeted the publication of Don Juan Byron's leader, will speak. Two hundred preciste him fully?

It was partly because Byron with the weekend for the had been hundrily treated that his friends were so eager to see official juspension.

taking a visitor from China were so eager to see official jus- year's events, apply to the round Poets' Corner. Why, the tice done to his memory. Right Byron Society, 6 Gertrude visitor asks, is there no memorial to Alexander Pope when so returning home, perhaps even 5112).

to resume his political career.
For all his love of Italy and of
Greece, he remained an exile,
cut off from England and Scotland where he had spent his hot youth. At the beginning of the fourth canto of Childe Harold's Iourth canto of Childe Harold's Pilgrimage, the poet offered his country a rather maudlin version of "I did it my way:"

Perhaps I loved it well: and should I lay

My ashes in a soil which is

My spirit shall resu

My hopes of being remem bered in my line With my land's language: if too fond and far These aspirations in their scope incline — If my fame should be, as my fortunes are

Of hasty growth and and dull oblivion bar

My name from out the temple where the dead Are honoured by the nations — let it be — And so it was. Time and

again, applications to instal a memorial in the abbey were made and turned down until at "I also went to the Medici last, in 1974, a plain white mar-Chapel - fine frippery in great ble memorial was placed in slabs of various expensive Poets Corner with a truer epi-

Go Danish in Africa

WHAT AND where is the real Zimbabwe, and how has it been faring in seven years of inde-pendence? The answer might depend on who you are and where you see it from.

where you see it from.

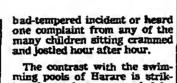
Travelling Danish will give
you an uncomfortable – and
optimistic – viewpoint. Travelling Denish is how Rhodiee
(those Rhodesian Whites living
either inside or outside Zimbabwe) describe a White travelling on e rural bus. Only Danish volunteers do it, they say. It is an alternative to the Harare-based view of the country.

stately homes, its flowering Africa. tree-lined avenues with names Buset like Mariborough, Wellington lands o and Princess Margaret, its hom-elessness, baby dumping, bornagain churches, its guns and troops, its barking dogs by night and wailing sirens by day. Go Danish to the Eastern High-lands, to the cool, beautiful Chimanimani mountains, where the journeys are long and the stops bitterest fighting in Zimbabwe'a frequent. Yet I saw not one



war of independence was being fought only eight years ago and where refugees streaming in from Mozambique testify to the So bid goodbye to the glitter-ing capital Harare and its continuing conflicts of Southern

Buses to the Eastern Highlands operate according to two inflexible rules of African rural inflexible rules of African rural transport; no bus leaves until it is full, and at every etop more passengers get on than get off. And it's hot. Many people have cumbersome bits of luggage that must be crammed in. The incomment are long and the store.



ning pools of harare is strik-ing. In gardens surrounded by security fencing and lawns well sprinkled with Rhodesian ridge-backs, boerbuls, mastiffa, Alsa-tions and bull terriers, Whites complain about the difficulties of their lives. It is a litany of robberies, shortages, corruption and inefficiency. In the back-ground might be heard, on a Saturday afternoon, the sirens of the police convoy clearing the road for the President as he drives past the gilded Sheraton conference centre (surely the ugliest building in Africa) to the extravagent Chinese-built national stadium to watch football or attend a political rally.

Seen from the back of the bus. Zimbabwe is altogether more encouraging, in three days I saw not one badly dressed, malnourished or dirty person. Despite the worst drought in living memory, in this part of Zimbabwe at least, no one seemed bungry. Food at all the atops was plentiful, including reasurts, avaradoes. atops was plentiful, including peanuts, avacadoes, eggs, mea-lies, tomatoes and oranges. I saw no beggars, no-one hassled me and no-one offered me anything but disinterested friend-ship. On hearing that I was the same age as him (though having four fewer children) the bus conductor pointed out that he looked "much stronger," and claimed that it was a result of the abundant fruits of the area. I couldn't argue with his con-clusion but defended myself (and amused his passengers) by pointing out thet perhaps he wouldn't be looking so good when he has lost as much hair

No-one mentioned the war or made me aware that my akin colour was any different from theirs. No one pointed out that most of the fertile land we passed through was still owned by Whites and most of the infertile and eroded land held by the Blacks, as it was in the days when Ian Smith ruled Rhodesia. No one mentioned the MNR terrorists - that poisoned well left by the Rhodesian forces in Mozambique. The only voices I heard raised in anger were directed at a pickpocket whom the bus driver found with his hand in my pocket.

How things will continue in face of all the difficulties of a declining national economy, a looming Aids epidemic and a neighbour like South Africa is hard to say. But clearlythey are making the most of what they have, which can't generally be said for those around the swimming pools of Harare.

rooms of Sotheby's and Chris-tie's are silent temporarily, the dealers are getting their act together. For years now the auction houses have forced the pace in the fine art markets and the dealers, with their limited resources, have done their best to survive In the main they resources, have done their best to survive. In the main, they have been forced into dependency on the salerooms, buying about 70 per cent of all the goods sold there. They also use the salerooms to dispose of alow-moving stock and provide around 30 per cent of the lots on offer at Sotheby's and Christie's.

Now they are realising that, to prosper in an era of spirall-ing art prices and fierce inter-national competition, they must pool their resources, both financial and academic. Last linancial and academic. Last week, one of London's most respected picture dealers, Hazlitt, Gooden & Fox, sold a majority of its shares to two young dealers — John Morton Morris, an expert in Old Master prints, and Niell Hobbouse, who presides in dealers dealers. Seen from the back of the bus

thwart the foreign bidders. Sometimes they tell the anctioneer in advance, as they should, that they are making a joint bid; sometimes they do not. Many dealers share the ownership of works of art. They are also tempted increasingly to sell on commission, taking into their showrooms a picture or an item of furniture which item of furniture which remains the property of a private individual but from which they take a handsome percent age if they find a buyer. With the art market internationally

Now it looks as if the boom is over, adding mutual reassur-ance to financial muscle as a reason for merging. The stock exchange crash will impoverish at least some buyers; the fall in the value of the dollar will hit



who specialises in design draw-ings. They will provide a man-agement succession for Jack executive, as well as more cash and a greater spread of both knowledge and contacts. To a great extent, this formal merger makes public the behind-the-scenes machinations taking place continually among dealers. As the late Patrick Lindsay of Christie's said after selling an important picture: "I got the impression it was bought by 20 people." With prices rising so sharply in the past five years, dealers just cannot afford to bid indepen-dently. For really major works of art, the London trade clubs together in an attempt to thwart the foreign bidders.

going so price-mad, such devia-tions become necessary to sur-

the value of the dollar will hit Americans, the main buyers for most leading London dealers; and common sense is reasserting itself and saying that many of the second-rate items which found new homes during the years of easy money will now command a more realistic, and lower, price. No-one imagines the increasingly rare top quality items will decline in value.

The Hazlitt, Gooden & Fox merger has good auguries overything largely are over: the everything largely are over: the everything largely are over: the warket has ontgrown such a polymath.

There are still advantages in being a dealer. If you are a regular vendor the auction houses have the sales commission houses have the sales commission for such a polymath.

There are still advantages in being a dealer. If you are a regular vendor the auction houses have the sales commission houses have the sales commission for such a polymath.

be a bargain Old Master oil at a country shop and phones to suggest to a friendly specialist, with a waiting clientele, that they share the potential profit on the find. The days of the

Hazlitt, Gooden & Fox, which sold the majority of its shares to two young art dealers Antony Thorncroft on why the art trade is clubbing together

The art of making a deal because of the reputations of expussive iot on behalf of a which will see the good dealers the dealers involved. Art market get-togethers in the past few dealers make a fortune (although their provincial

the dealers involved. Art mar-ket get-togethers in the past personality clashes between the principals. Somerville and Simpson are no longer together, nor are Chris Beetles and Peter Nahum who shared premises in Ryder Street, St James's. It makes good sense for young dealers to spread the the cost of Mayfair premises, but such close proximity hardly allows prima domas temperaments to flourish.

The best deals often result from the more tenuous links: for instance, when a London dealer in, say, Old Master draw-ings spots what he reckons to dealer who is an expert in everything largely are over the market has outgrown such a

these days, and for many of them it is a frustrating business trying to find decent stock while surrounded by the slowmoving, second-rate stuff they acquired early last year when buyers seem to have lost their

1988 will be for the trade. Some well-established dealers, like Charles Lee of Richard A. Lee, are still optimistic, encouraged by increased British buying and signs that the Japanese are acquiring furniture at last.
Alastair Sampson, who specialises in English ceramics,
metalwork and early furniture. thinks American interest is still there if dealers are prepared to shave their margins slightly. His computer tells him that his best-selling antiques are valued at around £1,200, still a modest at around £1,200, still a modest sum for most serious collectors. Like many dealers, Sampson thinks some levelling-off in prices is necessary. "When I started dealing in English pottery 18 years ago, the highest price ever paid was £3,000," he says. "Last year, I paid £112,000 for an item." Such a purcelation cannot be susappreciation cannot be sus-

tained forever. Mergers, and more sensible prices paid for run-of-the-mill antiques, are two developments

brethren, who depend on the Americans coming over each June, hiring a van and buying up their stock, may face a much up their stock, may face a much harder time). The trade should also be aided by a rare consensus among the members of the British Antique Dealers Association that they should do something about their image. An \$80,000 kitty has been gathered to finance a public relations cannaign that will! tions campaign that will attempt to compete with the multi-million pound advertising budgets of the salerooms. It will not in itself be enough; but a growing feeling that the

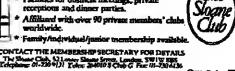
auction houses have lived high on the hog for too long could swing buying sympathy and practice back to the dealer who is generally honest, often know-ledgable, and always ready to make a bargain.



YOUR LONDON ADDRESS



ted bedrooms, all with colour telev One wing reserved exclusively for believ



Defensive positions

assaults in England and Wales have increased dramatically from 71,188 to 115,523 a year. Reported rapes have also more than doubled rising from 1,094 to 2,288 per year. The chances that you, or somebody close to you, may be mugged, raped, robbed or injured rises every year. So, what can you do if you are threatened with mugging? What weapons can you legally use to defend your-self, and do they work? What self-defence techniques are effective and can they be quickly learned?David

and Tables

7:27

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OT so long ago, rape, muggings and other unprovoked attacks ware the kind of thing we mostly encountered on the pages of newspapers. Like most of life's disasters, we tended to think of them as things that happened to other people. Today, few of us can be under the illusion that these are any longer just remote possibilities. One in eight of us, the statistics suggest, is likely to be the victim of some kind of violence in our lifetime.

You may take the view that if you are. going to be a victim you'd rather not start worrying about it in advance. On the other hand you don't have to be a passive victim.

It's worth remembering that most attacks fall into three basic categories:

The premeditated attack - mustings or threats in the street, car park, or tabe.

Non-premeditated violence at pubs, dance-halls or by over-excited peo-

 Attacks on you in your home, either by burglars or thugs.
For women, of course, all these situations could involve rape or attempted

ple such as irate car-drivers.



rape. Women, for obvious reasons, are usually at greater risk in Britain today. and the Home Office now has a booklet offering advice specifically for them. So if you're a woman and you are worried you could start by reading: "Violent Crime Police advice for women on how to reduce the risks." (Available from your local police station or direct from the Home Office, 50 Queen Anne's Gate, London SW1H 9AT).

Weapons: The most contentions area is what weapons you are allowed to use to defend yourself. As far as the Home Office, and therefore the police, is con-cerned you can use anything you would normally carry going about your normal business. But if, for instance, you delib-erately sharpen a comb or carry a Rambo-style knife in your beit, you are carrying an unlawful offensive weapon. Use it and you could face charges. A

walking-stick or heavy umbrella would be all right but a swordstick would not. In practice, most potential weapons are not very practical because they are too unwieldy, too bulky or have to be kept

in a handbag. However, if yoo can't avoid going into areas where even the police walk in threes, along a dark or narrow alley, then it makes sense to have something at the ready.

The Home Office talks about keeping hairspray or keys on hand to use as weapons. The problem is that keys are likely domn't to annow an assessant and likely simply to annoy an assailant and sprays are difficult to aim accurately and not very reliable. In extremis a high-heeled shoe is a better weapon - or

even a pen or pencil.

against the victim.

I think that a solid walking stick, perhaps with a heavy or ornamental handle, or a reinforced or weighted umbrella, if you can find such a thing (I couldn't) would be a better bet. The nearest I could find was a solid umbrella (\$50) sold by James Smith & Sons at the corner of London's Shaltesbury Avenue and North Oxford St. They could have it weighted specially on they proceed weighted specially or they suggest revamping an old ebony umbrel-la.choose your brolly carefully — what about one with a substantial ornamental

lead?

I visited three martial arts shops in London and one in Luton, looking for suitable (and legal) weapons. There were lethal devices galore – everything from shariken (sharpened throwing stars) to wunchaku (rice flails on chains), swords, mattens with metal claws and knives of all sorts – but none of them seemed tractical for everyley. of them seemed practical for everyday use. They were all much more the sort of thing that would appeal to the genuine martial arts student or the lunatic. Some of the weapons should almost cer-tainly be banned from sale.

The real dilemma is that everything that is a real deterrent is almost cer-tainly illegal (like gins and the several forms of nerve gas that come in small serosol cans and can be bought in other countries). Just at the moment it seems that the electric-shock laser guns/trun-cheons used by the US police to immobi-lise are allowed but that is unlikely to

Some people recommend aerosol paint sprays. Their advantage is that those with long-lasting dyes should make it easier to track down the attacker afterwards. Others feel that they can provoke an attacker to even more vicious behav-iour. Lacquer sprays are better but they iour. Lacquer sprays are better but they generally have caps which have to be removed first, they are quite bulky to carry and are not easy to direct at the eyes of a moving target.

There is a case for shriek or shrill alarms that when pushed emit a 100 to 120 decibel shriek that continues until you release the button. This will not

you release the batton. This will not prevent a determined mugger, but it could frighten off a drunk or deter an over-friendly advance.
Unfortunately the first sample I tried,

unfortunately the first sample I tried, made by Gripperrods of Horsham, failed to work properly in a simulated attack. The second sample worked; so do test beforehand. To be useful, of course, the alarm must be to hand, so don't let it wallow around in the bottom of an over-filled handles, You could try tying one to an umbrella handle, to a briefcase or handles strap, to make it easy to set or handbag strap, to make it easy to set. The Suzy Lampingh Trust has launched an alarm in conjunction with indicated an alarm in conjunction with the manufactmer, E Aldridge & Sons of Manchester. It has a decibel level of 115 (this is as loud as a jet just before take-off) and you can press lightly to get a few short bursts of sound or press filmly for three minutes of high pitched screech. It costs \$3.85 (refills \$2.30) from locksmiths, hardware and DIY shows or direct from Sura Jamphush shops or direct from Suzy Lamplugh House, 50 Queen Street, Salford MS 8DQ. 50p from each sale goes to the Suzy Lamphigh Trust

Other shrill alarms are available from large stores at around \$3. If you have trouble finding one you can always ask the crime prevention officer at your local police station. CSS, 62 South Audley Street, London W1, sells mubrella and briefcase alarms at around \$14 each.

For defending yourself from burglars or thugs in your own home you can legally use anything that is clearly part of your normal household furnishings and equipment. You are not allowed to have weapons at the ready. In other Above all, experts are agreed, do NOT words, if you grab grandpa's sword off carry a knife. Apart from the fact that it the wall and use it on the thugs beating is against the law, a knife usually adds you up you are likely to get away with it



The unacceptable face of violence: the victim of an

- but if you have a sword by your bed ready to attack a burglar then you are on much shakler legal ground. It's not surprising that some people prefer to defend themselves and take their chances with the law later.

Most people have something like a heavy torch at hand (American policestyle torches are on the market - about \$25 from CAA - and are particularly strong). Special "torches" that temporarily blind the assailant with a 5m lumen strong beam are worth considering but they aren't cheap - \$110 each, replacement bulbs \$7.50 (also from CAA). A baseball bat makes a good weapon for a teenager to use. But don't ever bring out anything that you aren't prepared to use. It is worth remembering that armed aggressors seem to be just as likely to injure a cooperative victim as an un-



The main difficulty with all these weapons is to first recognise the danger you are in and then remember you are armed" when the worst happens.

Self-defence: Apart from arming yourself with (legal) weapons, more people feel they need some knowledge of basic self-defence. Most people who have been attacked have been taken by surprise at the speed of events. Often they can scarcely believe it is happening and they simply freeze. Experts stress that it is worth developing some moves that are almost instinctive - if you have to work out what you are going to do you will probably find that it is too late to do it.

A good self-defence course will teach you this and help you to feel more confi-dent about defending yourself. Confi-dence can be a crucial factor. I visited

training sessions run by instructors in Shotokan Karate (the most popular style), Yoshinkan Aikido, Jlu-Iltsu, semi-contact Karate and two self-de-

The most suitable course was the one devised by The Martial Arts Commission, a body that supervises most of the responsible Karate, Kung-Fu, Taekwondo and other associations and organ-isations in the UK. It has more than 100 specially trained coaches who run these courses all over the country. They cost very little - prices vary around the country but should average about \$2 per session. If you're interested write for details to: Martial Arts Commission, Broadway House, 15 Deptford Broadway, London SE8 4PE (01-691-8711). It also produces an excellent paperback: The Official Self Defence Handbook, by David Mitchell, Pelham Books \$5.95.

The MAC course concentrates on all aspects of self-defence, from so-called gentle touch" techniques, aimed at avolding physical confrontation, to proper "last-resort" moves. You are taught about 30 techniques, 18 of them classic attack-defence moves although the Aikido-style wrist twists are proba-bly too difficult to perfect. All the coaches are black belts in at least one Budo discipline and have done the special MAC-I coaching class themselves. It lasts for about 30 hours spread over 13

to on to Jin-liter can get details of clubs and courses from: Mr R Clark, British Jiu-Jitsu Asso ciation, Barlows Lane, Fazakerley, Liver-pool 12. Or if you live in south England: Mr T Parker, 6 Wash Road, Hutton, Essex CM13 1DJ.

Final thought: It makes sense to carry some form of weapon, particularly on that walk home from the station along s badly lit street. Do not rely solely on a weapon - make an effort to learn some self-defence techniques. The weapon might in fact then be used as a feint while your real attack comes with fist or

Lucia van der Post is abroad. How To Spend It will resume next week.

Joy Melville looks at baldness cures

Hair today...

SOCRATES claimed that baldness was the result of too much sex - boosting, you would think, the image of baldness forever. But it didn't work: baldness still means unattrac-tive, old. In fact, losing one's hair "can

have tremendons social and psychological influence, defi-nitely affects both self-confi-dence and self-assurance, and dence and sen-assurance, and occasionally even leads to psy-chiatric problems," according to Dr Rodney Dawber, consultant dernatologist at the Stade Hospital, Oxford.

Since currently some 7.9m of British men have some degree of hair loss, what can they do to quell their anxiety? Hair-restoring has now grown into a multi-million pound busi-ness. Current remedies include:

 preventiou (imaginative styling, avoid blow-driers, use a soft-bristled brush and widetoothed comb;

• camouflage (use a wig, tou-pee, or hair weaving - which involves pulling your hair tightly across your head before using it to anchor additional

hair);

• surgery (hair transplant, "flsp grafting" in which flaps of akin and hair from other parts of your head are sewn across bald patches or, for the unsqueamish, scalp reduction.)

Surgery can be expensive. Although hair transplants, where small amounts of hair-bearing skin are implanted on to bald spots, are often successful, quite a few sessions are ful, quite a few sessions are needed and costs can run up to \$1,500 or more if the area being

£1,500 or more if the area being treated is large.

You can also spend a great deal of money more slowly by trying out fringe ideas, like magic massage, high frequency waves, an electric heating cap, or rubbing your head with an onion or plant fertiliser.

Rather more scientifically, Upjohn, the pharmaceotical company, finding that patients treated with the drug Minoxidil for high blood pressure began

for high blood pressure began to produce hair, experimented in the early 1980s with the drug's effect on baldness.

The results have been encouraging and the publicity about the effects ("new hope for baldies") has caused a deluge of baldness. Mr Firmage says that baldness. Mr Firmage says that the Institute's practictioners around the country have noted inquiries. The drug is now being dispensed over here but John Firmage, consultant in and more responsible positions charge of the Scalp and Hair Hospital at the Institute of Triin business, they seem to pro-duce hair loss earlier in their

chologists, points out that not everyone is helped. Before any form of treatment is given at the Scalp and Hair Hospital, all aspects relevant to the patient's hair loss are discussed. Only then is a diagnosis made and treatment methods

"It's important that patients know the pitfalls, he says. Implants, for instance, could be damaging to the scalp. Some patients, too, are worried about wearing a hairpiece because of its rather music hall image. But if it's made properly and fitted well, it is fine. At least you can wen, it is line. At least you can take the thing off, and there is nothing wrong with your scalp." Sometimes, patients just need advice on hair care.

Most people worried about losing their hair will go to their doctor first. "But," says Mr Firmage, "their GP may not he very interested in their appearance, as It's hardly life-threatening. And, in any case, a GP doesn't know as much about it as a trained trichologist."

You may need to explain to their patients that there are other aspects of them which are far more important, says Mr Firmage. Stress also plays a part in hair loss contributing

positioning stranda of hnir around your head) to the Elton John technique of never being seen without a hat. Yet Telly Savaias and Yul Brynner had women audiences swconing at their sexiness.
Isn't it time for those with Isn't it time for those with thinning hair to come out of the closet and join the "Bald is Beautiful" movement? After all, n hundred per cent of men and 85 per cent of women lose their hair as they grow older, so it's just a question of joining the gang.

that, '2s women take higher

lives. The theory is that

because of the higher pressure genetic predisposition is pushed forward.

Desperate strategies for dis-guising thinning hair range from "eidewinding" (artistically

gang.
Institute of Trichologists. 228 Stockwell Rd, London SW9 9SU 01-733-2056. Cost of first consultation \$16; sub

arrat consultation £16; subsequent visits, £7. Send stamped addressed envelope for list of qualified practitioners and hair care leaflets. Bair Loss Information Centre (a service of Upjohn Ltd), 20-1 Suffolk Street, London addressed envelope for leaf-



...gone tomorrow

THE EMBARRASSMENT felt by many men about their baldness will guarantee the scientist who discovers a cure a comfortable retirement on the wholly-owned tropical archipelago of his or

Now that the cosmetics indus-

and offering a new prod

instant rejuvenation is not on offer, at least until the next scientific breakthrough. But they will be offered a product called Nutriplexx which, in return for assiduous attention to a somewhat messy routine, claims to months. It is already oo sale in

ties with droppers. Three times Now that the cosmetics industry is concentrating its expansion plans on the male market, a great deal of attention is being paid to this most delicate area of what those in the trade refer to as "grooming."

Aramis is coaching a team of saleswomen — "consultants" in industryspeak — in how to discuss baldness with sensitive males and offering a new prod-

> The company says 65 per cent of men in independent field trials in France noticed an improvement after three

have a better than even chance of stopping the condition worsening, while improving the feel of the remaining thatch.

The first three month's supminutes, it can be messy – five

ply of Nutriplexx costs 250 and droppers full is equivalent to a consists of a pack of three bot-

uct, making much more modest claims than is traditional in this area.

Customers will be told that contained the stay in place for longer. The slight difference. It remains to be seen whether vanity to stick triumphs over inability to stick Aite ume of hair, thus giving it a to routines and drives me to thicker texture. up smoking, the first three months are the worst.

Tom Lynch

Best of bangers However, you may feel tempted to develop your own brand. Sausage making is a ful-filling pastime for winter eve-

WE BRITONS have our banger. The German has his wurst. The Italian his salami. The Chinaman his cheung, cheong or chang. The Spaniard his chorizo, and the Algerian his merguez. Tha Bulgar probably has several and cooks in Griqualand debate endlessly over whether to grill or to fry them. I can even envieaga the Eskimo weighing the eract proportions weighing the exact proportions of blubber to whale meat. The sausage is ubiquitous. It is the acceptable face of convenience feeds, and I can think of no other comestible that arouses fiercer loyalties.

I have been addicted to the pork banger of Mr Franklin, of Twyford, Berkshire, for more than 25 years. People have tried to tempt me with the products of this gold medal winner or that. I have bad remarkable salsicie in Sicily and superh saucisse in France and superb saucisse in France, but when seriously put to the test, I come back to the Franklin's banger, fried long and

This may seem slightly arbitrary. After all, there are sausages for all occasions and all circumstances, involving just about any ingredient you care to name. Broadly speaking, as I see it, there are two principle classes of sausses; those you need to cook before you est, and those you don't. Salami in all its multifarious forms is probably the best known of those you don't, not forgetting the saucissons sees of France, the droewers of South Africa, and the spegepolse of Denmark. These are foods for hunters and for people on the hoof. Some need en olive or two to set them off, others a little pickle or alad of waxy potatoes.

Then there are sausages for frying, grilling, boiling and steaming, and their number is legion. It would be quite easy to fill the rest of the page with saucisse de Toulouse and brat-wurst and cotechino and black pudding and white pudding and, well, you get the picture. You can stuff anything into a

casing and call it a sausage.

Naturally, there are all manner of regulations laying down eign ones.



Food for **Thought**

the law on minimum specifica-tions, and I suppose they do just about protect us from out and out fraud, but a good sau-sage is not made to bureauage is not made to bireau-cratic specifications. As with most kinds of prepared foods, the better the ingredients, the better the sausage. It's no good pretending that a skinless wonder made from fragments of fibre, gristle, soya, dextrose and monosodium glutamate is really the same thing as a care-fully balanced mixture of pure, prime, meat, carefully chopped or minced, mixed with an exact amount of fat and a personally judged balance of herbs and spices. Of course, you will have to pay more for the latter, and your children may well still prefer the former.

Aside from black pudding, the British are quite prosaic in what they put into sausages. Not for us the the tripe, chitterling and mysentary of the andouillette that give that great sausage its unparalleled rich-oess and unmistakable odour of the charnel house. We have a long and honourable tradition of our own; the Cumberland sausnge, faggots, haslet, the haggis and the Glamorgan cheese sausage, among other notable sub-species. I am even prepared to include the venison eausage and the beef. In the hands of many butchers, such as Mr Franklin, these become as a horrifying catalogue of impu-succulent, satisfying and sus-taining as the best of the for-

cure the skins either through your butcher or from a butcher's suppliers. I buy them in Smithfield packed in a brine solution. One packet goes a very, very long way - about half a mile I estimate. Rinse out the casing thoroughly, and try to keep your mind off the fact that they were sold as contra-ceptives in the 18th century, and before, by some comtem-porary Richard Branson. Then prepare your filling. What you put into them is very much up to you. If you can be bothered, which is highly unlikely, emulate the Chinese, and chop all the ingredients by

nings particularly as television seems singularly pathetic at present, and they freeze very well. You should be able to pro-

hand. Whizzing them up in the food processor tends to thrash the julces ont. Then all you have to do is get the atuff into the casing. There are various useful gadgets to be had on the open market, but I use a funnel and a wooden plunger. It's extraordinarily messy, but I reckon if you can make them like that, you can make them with anything. You will find detailed intruc-

tions on the art in The Book of the Sausage by Antony & Araminta Hippisley Cox, or in Janc Grigsoo's Charcuteries and French Pork Cookery. Take care, the rise and fall of the sausage is linked to the fortunes of empires. Some anthori-ties aver that addiction to spicy sausages played a crucial part in the decline of the Roman Empire. In 1131 the son of Louis VI of France was thrown from his horse and killed when his mount started at a hog snuffling in a Paris gutter. A recent survey of the ingredients of South Africa's vaunted boerewors, the staple of every right thinking Afrikaaner's brazivleis (barbecue to you) revealed a horrifying catalogue of impu-

Peter Fort

TO MANY serious wine-drinkers, Germany is overwhelm-ingly a land flowing with Liebfraumilch and suscressors (onfermented ewest grape must), resulting in an over-rid-ing sweetness for which there More than just

is no place at the table and little occasion elsewhere. This is unfair, for some brands of Liebfraumilch are brands of Liebfraumilch are perfectly acceptable and it is often a resort from the allegedly over-complicated labels of more interesting wines.

Nevertheless, tha German wine industry has been going through a difficult time. It has been hit by such scandals as the glycol-diethylene furore imported from Austria, as well yield up to 200 hl per ha, compared with Riesling's 65-80 hl.

imported from Austria, as well as dreadful so-called "Eurowines" and a good deal of poorquality, low-priced stuff. The trade has also suffered from a fall in the US dollar, the advect in America and Ger-many of "coolers," and the health concern trend. So it is time to put in a few good words for the better German wines. Exactly 200 years ago Clem-ents Wenceslaus, Prince Bishop of Trier, introduced to the

Moselle the grape variety that is Germany's leading contribu-tion to the world's vidculture – the Riesling. Until 25 years ago the Moselle was overwhelmingly planted with Resting but increasingly it has been replaced in the upper and lower parts of the river by the earlier-ripening and far more pro-lific Muller-Thurgau. In the opper Moselle this can

14

HOW ARE YOUR LIQUID ASSETS

- chempagne - Burgundy.

We offer sound experience mester of wine professional valuations to companies and individuals UK/Overseas. We are buyers of Bordeaux - Port All treated in strict confidence Ring Norman Gardner Wines, 2s Milner Street, London SM3 01-581 3902 or 0491 541164

Liebfraumilch

Edmund Penning-Rowsell defends the beleaguered German wine industry

pared with meaning's co-so hi.
Today, Riesling accounts for
only 60 per cent of the river's
150 miles of vineyards. But it is
still predominant — to the
extent of 80 per cent — in the
two tributaries, the Saar and
the Ruwer, that enter the main
stream to the south and north
of Trier, and from the steen of Trier, and from the steep valleys that produce some of Germany's most elegant wines. Trier is the wine capital of the Moselle. It contains n number of large institutions mostly religious in origin and ownership – with vineyards on many choice sites on the Saar and Ruwer. The Bischofliches Konvit, the Priesterseninar and in great years the Saar and the Hohe Domkirche are all the Ruwer can claim to produce

now merged together for mar-kesing purposes. The Friedrich-Wilhelm Gymnasium was a Jesuit-founded school although its best known pupil was the distinctly non-religious Karl Marx, whose father owned a small patch of vineyard in the Ruwer adjoining what is now the Maximin-Grunhaus estate. There is also the Vereinigte Hospitien, a union of old Trier charities, with large holdings in

the upper Saar.
The State Domain, promin



the best Moselle wines - which for some drinkers means the st in Germany. The wines will take longer to develop from the very steep vineyards that are generally loftier even than those in the top Middle Moselle vineyards in Brauneberg, Bern-kastel, Wehlen, Graach and Zel-tingen. But the tributary wines will last longer, sustained by more acidity.

also on the Szar as well as the largest private estate on the Moselle, was owned by the Kesselstatt family until 1978 when it was bought by a member of the Reh family of Leiwen on the main river. It has 15 sites and 35 ha on the Szar, and 20 sites and 13 ha on the much a style with marked acidity; an aromatic, crisp bouquet; and a

allsed, as the Moselle was nearly 20 years ago, and the broader, more placid and misty expanse of water is expected slightly to soften the vineyard

The Buwer wines are lighter and perhaps more elegant but they are also firm, with marked acidity and the delicious aroma that only the Riesling can pro-vide. The products of both rivers need time to mature: at least four or five years for a successful vintage and probably longer, although they seldom The Ruwer is n tiny stream,

at some points almost imper-ceptible as it dashes down to join the river a mile or two below Trier. There are only three villages of wine account -Waldrach, Kasel and Mertes-dorf - and the very small vine-yard area of about 320 ha is dominated by two estates that face each other across the val-ley, Maximin Grunhaus and Karthauserhof.

The Maximin wines, produced

by the Von Schnbert family, are remarkable for their full Ries-It is not easy to describe the ling bouquet and a flavour true difference between the wines of is both deep, long and subtle. the two river valleys. The Saar No suspressive is used, even for wines are said to be "steely," the quality" wines. The Karthaoserhof is owned by the "same and the wines are Tyrell family and the wines are drier than the Maximin's, and certainly elegant. In spite of the length of the site name when the hamlet of Eitelbach is

Another prominent Rower grower is Carl Weiss of Mertes-dorf, whose estate is named after the Beulwitz family and whose best-known vineyard is Kaseler Nies'chen. Otherwise, the valley growers number no more than 30 and the total Ruwer output is about 33,000 hl, half of which is sold as disni, hair of which is said as dis-trict wine, although the gross-lage (district) name of Romer-lay, which includee the vineyards near Trier, is not common on a label here.

A vineyard often mistaken for a Ruwer, which it adjoins although facing more to the Moselle, is Avelsbach, beat known for the Altenberg and Hammerstein. The biggest owners are the State Domain and the Bischofliches Konvikt, which also own sites in Eitels-bach and Kasel where Kesselstatt is also prominent.

The leading vintages in the Saar and Ruwer are '71, '73, '75, '76. '79, '83, '85 and possi-

Few British wine merchants have anything like a represen-tative list of these distingnlehed Moselle tributary wines. The best is certainly O.W. Loeb (68 Southwark Bridge Road, London SEI), and others to be recommended include Heory Townsend (Oxford Roed, Beaconsfield, Bucks), Lay & Wheeler of Colchester, and Adnams of South-

The trocken (dry) wines that have had a growing success in Germany in recent years have not endeared themselves to not endeared themselves to British merchants or their customers, but the wines of "quality" and *Kabineti* levels go excellently with what may be called first-course foods. Their crispness and moderate sweetness offsets the piquancy of the foods. Served cool and fresh, they also make excellent speritifs. Geoffrey Owen on the origins of a great British company

When the screws were turned

HISTORY OF GKN. VOLUME ONE: INNOVATION AND ENTERPRISE, 1759-1918 by Edgar Jones. Macmillan. \$19.50, 442 pages

"I BOPE I shall never be ashamed of the iron trade," wrote Lady Charlotte Guest in her journal in 1836. This remarkable lady, who spent most of her adult life managing or helping to manage the Dowlaie ironworks at Merthyr, was visiting Bristol, whose merchants had largely financed the South Wales iron industry. She was dismayed during her visit by the "studious avoidance of every allusion to trade" and the dislike expressed of the places where industrial wealth was being accumulated.

As Edgar Jones, author of this fas-cinating history of GKN, points out, it was extraordinary that polite soci-ety should be expressing such a dis-dainful view of industry at a time when Britain's manufacturers were leading the world and the country was enjoying unprecedented prosper-

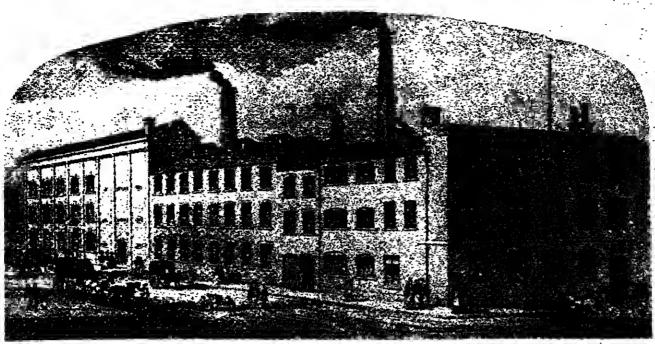
ity and economic growth.

Fortunately the entrepreneurs who were driving forward the industrial revolution had no interest in the views of polite society. Men like Lady Charlotte'e husband, John Guest, and the other South Wales ironmasters were generally of humble origins. As demanding of themselves as of others, they led eimple lives and business was their consuming interest. The fact that many of them were non-conformiets reinforced their sense of being out-siders. Debarred by the Test and Corporation Acts from entering the pro-fessions or holding civil office, they applied their energies to trade and industry.

They saw the business opportunities created by modern technology and growing markets. The crucial innovation was Abraham Darby's demonstration (in 1709) of the use of coke, rather than charcoal, in iron-making. The Coalbrookdale region of Shropshire, where Darby worked and the Guest family had its origins, became the crucible of metallic tech-nology: ideas were tested there and information exchanged

The attraction of Merthyr, where the Dowlais works was started in 1759, was the availability of coal, iron ore and limestone, together with fast-flowing streams to provide power. The later adoption of steam-engines permitted the development of large, integrated ironworks in which the machinery was too heavy to be driven by waterwheels. Then came the installation of Cort's puddling and rolling process which enabled Dowlais to enter the market for bar iron. When the market for rails began to grow, Dowlais was well placed to supply it and by the early 1840's it was one of the biggest ironworks in

Were these early ironmasters innovators in their own right? The Guests were adept at exploiting other people's inventions, often when the "bugs" had been ironed out of them. In a rather similar way the two other companies which came together to form GKN in 1900-1902, the screwmakers Nettlefold & Chamberlain, and Arthur Keen's Patent Nut and Bolt Company, derived their success in part from exploiting American innovations. But all three improved on the designs they acquired. Dow-lais in particular had a technical reputation which attracted talented engineers and managers. It became a training-ground for the British iron and steel industry.



Baskerville Place, site of Nettlefold's first screw-mill in Birmingham





Two fine business brains: Lady Charlotte and Sir John Guest

Towards the end of the century ome of the momentum went out of these ploneering enterprises, while competition from the newly industrializing countries of the US and Germany became more severe. Atti-tudes grew more defensive. In the 1870s Joseph Chamberlain had no compunction about drastle price cuts to drive rivals out of business. "It is no use flattering ourselves," he told his colleagues at Nettlefolds, "we have got to smash the new com-." Later, after Chamberlain had left the company to enter politics, Nettlefolds was a leading promoter of international cartels.

There was a defensive element, too, in the merger which created GKN, although it also reflected succession problems at Dowlais and at Nettle-folds. After the death of Sir John Guest and the retirement of Lady Charlotte, Dowlais was run by trustees. Sir John's son, Lord Wimborne (educated at Harrow and Trinlty, Cambridge, not at Bridgnorth Gram-mar like his father) was happy to respond to Arthur Keen's merger

The idea behind the deal, and the subsequent purchase of Nettlefolds, was to create a vertically integrated concern. Yet the synergies were more

apparent than real. The degree of product overlap was limited and the type of iron and steel produced at Dowlais was unsuitable for woodscrews. Keen was a strategist and fixer: he even came close to merging Guest Keen with United States Steel Corporation. But be was also an autocrat, distrustful of ambitious colleagues and refuctant to delegate -factors which contributed to GKN's
crisis in the 1920s.

GKN's history sheds light on wider djustment problems stemming from Britain's early lead in industrialisation. By the end of the 19th century, Dowlais was suffering from the exhaustion of local materials and high transport costs. The US was building highly mechanised works on carefully selected greenfield sites. Although a brave decision was made to build a new steelworks at Cardiff, there was a reluctance, partly for social reaons, to run down Dowlais: the new works was less ambitious than it might have been and the transfer of production to it was elow. The entrepreneurs whom Jones, GKN's Group Historian, describes so vividly in this first volume, were

practical men. Many of the innova-

tions they introduced were incremental ones, requiring no scientific

understanding. Their attitudes and skills proved inadequate as markets and technologies changed. "Victorian society," says Jones, "and in particu-lar its business community, may be judged to have failed in not establishjudged to have failed in not establishing management as a professional occupation. It remained a practical job where knowledge was acquired by watching and doing." Unlike the Germans and Americans, British businessmen failed to appreciate the value of rigorous scientific training.

The combination of the practical man in the workshop and the gentle-man amateur in the boardroom proved deadly. It helped to explain, for instance, why at the outset of the Great War Britain had virtually no capacity in high grade alloy steels, which bad been largely imported from Germany. from Germany.

There were also in this early period seeds of a low-wage, low-productivity economy. A foreign observer in 1900 noted that the main priority for employers was "to obtain more work for a traditional wage rather than to decrease the cost of production by means which will justify a higher wage...Working men bave come to accept the view widely and it is the acceptance of this theory of status

which is at the bottom of the dead-lock in British industry."

It is the early history of GKN, not the later process of consolidation, which holds the most inspiring les-sons for today's entrepreneurs. The success of the pioneers lay in identifying the most dynamic markets and in supplying those markets at the lowest possible cost. It is hard not to be impressed by Sir John Guest's unswerving quest for cost reduction and technical improvement, Joseph Chamberlain's aggressive search for overseas customers and, most memorable of all, Lady Charlotte Guest's deep commitment to the ironmaking

After meeting Charles Babbage, the inventor, she wrote in her journal: "He placed strongly before me the necessity of looking at great leading points and not allowing myself to be perplexed by insignificant details. The other day I almost cried finding that I did not yet know all the parts of the punching machine. Yet so long as I know the principles on which the machine acted - its effi-cacy etc - I believe it is very immate-rial whether I could construct one

Film fans quizzed

MASS-OBSERVATION AT MASS-OBSERVATION AT THE MOVIES edited by Jeffrey Richards and Dorothy Sheridan. Routledge and Kegan Paul, \$39.95.458 pages PHILOSOPHY OF THE FILM by Ian Jarvie. Routledge and Kegan Paul. \$18.95, 375

THE WORD anieur has been bandied about in modern film criticism in relation to almost everyone who ever stood behind a camera-from some of the most acknowledged masters of movie-making (Bergman, Fellini) to Hollywood journeymen who would acarcely know an anteur if one stood up and bit them.

But it has long been possi-ble to argue that the true-anteur of cinema - of popu-lar cinema at least - is the andience. What their tastes favour, and what their money reaches out to, is what commercial film-mak-

In Mass-Observation At
The Movies we have an
enthralling study of this
auteur as he manifested
himself in Britain 50 years
ago. Jeffrey Richards and
Dorothy Sheridan are both
cinephiles with a socio-historical bent. He wrote The
Age Of The Dream Palace.
She is curator of the MassObservation archives at Observation archives at Sussex University.

M-O was a group project in which volunteer observers interviewed or recorded popular reactions to issues of the day: from politics to of the day: from politics to poverty, from war to art to cinema. This book is an edited anthology of M-O material about British film-going habits and responses between 1937 and 1941; the age when George Formby and Gracie Fields ruled at the box-office, when Hitler came to power in Earrope and on the newareels, and when einemas were not half-empty places rustling when cinemas were not half-empty places rustling with old sweet-wrappers but secular cathedrals bursting with worshippers.

In Philosophy Of The Film, raiding a wide spectrum of movies, including Citizen Kane, Persons and Annie Hall, Ian Jarvie, Profeseor of Philosophy at York University, Ontario, attempts to see them in the light of Plato, Kant. Heides.

The book is more per sive than it threatens to be.
Jarvie mixes some foolish
rules of procedure
("Eschew all evaluative
terms") with some sensible
ones ("Forswear esoteric ones ("forswear esoteric vocabulary"). And he is excellent at analysing the ideologies that squeeze themselves almost unconsciously into many Holly-wood films (like Casa-blanca). A book sometimes indigestible: often nourish-

ger and other thinkers not

noted hitherto for their cen

tral importance in film criti-

Nigel Andrews



Fiction

Wobegon days

LEAVING HOME: A COLLECTION OF LAKE WOBEGON STORIES

WOBEGON STORIES
by Garrison Keillor. Faber &
Faber. £9.95, 244 pages.
THE GUILTY PARTY
by Joan Lingard. Hamish Hamilton. £6.95, 148 pages.
THE MUSHROOM-PICKER

by Zinovy Zinik, translated by Michael Glenny. Heinemann, £11.95, 282 pages.
THE IDLE HILL OF SUMMER by Julia Hamilton. Collins. £10.95, 249 pages.

WHAT A tremendous PR job Garrison Keillor has done for Lake Wobegon that eleepy Min-nesotan place where nothing nesotan piace where notting, ever happens, that archetypal, all-American town constructed around the church, the tomato crop, and the statue of the Unknown Norwegian, secure in the knowledge that all the best US presidents have had at least

a bit of Scandinavian in them.
It is the sort of town where a car-phone is at rare as a speeding ticket, chaking hands with a Senator is a once-in-a-lifetime experience, and Myrtle Krehsbach is a local celebrity because she nearly moved to Minnea-polis in 1937. A funnier place may exist in America today,

house down:

legs and swing it in ou the tracks when he would do better block and hauled off with the to stick to the straight and naraxe and hit dewn hard and row missed by two inches, I had to pry the axe out of the wood time I let go and the chicken took off running. It had no head, it dashed across the yard

timing is spot-on. He writes in the tradition of Thurber and O. Henry, but with a gentle, home-apun wit that is entirely his

the Troubles, and is living with her mother in an unnamed English seaside town, close to a proposed nuclear power sta-

Though still at school, she plays a leading part in the protest movement and organises a lie-in across the entrance to the site. Boyfriend Rod is scandalised, partly because he doesn't like to see Josie picked up by the police, mostly because his father is a senior engineer at the plant. He relents after Josie gets 14 days in Holloway, and joins the vigil on the pavement outside. A nice enough story, but somehow lacks the punch of some of the author's previous work.

ous work. ous work.

There's s nuclear theme again, albeit less prominent, in The Mushroom-Picker, by the expatriate Russlan Zinovy Zinik. It is the story of Kostya, a mildly eccentric Russian gourmand, and Clea, his English wife. They met in Moscow, but live now in London, where Kostya struggles with culture tys struggles with culture shock and Cles (known to all as Nucles because she's so boring on the subject) leads her left-wing friends on a mushroom-gathering expedition in the grounds of a British nuclear

There is more to it than that, of course, but this is essentially a satirical look at life in may exist in America today, but if it does, its whereabouts is a well-kept secret.

Leaving Home, the latest from the Wobegon front, is a collection of 36 short stories, originally performed live on radio between a Hawaian school choir and various episodes of Buster the Shore Dog.

No easy feat perhaps, but if the stories were only half as good on radio as they are in print, they must have brought the house down:

There is more to it than that, of course, but this is essentially a satirical look at life in England through the eyes of a Russian who has been here aince 1975 and may be pressured to know what he is talking about. Unfortunately though, he has not made the most of his material. The idea is promising enough, and he has a splendid eye for the absurd, but the narrative is shapeless in places and not always coherent. The anthor tends to plunge off nouse down:
The author tends to plunge off
Tigot a grip of the chicken's enthusiastically down side-

The Idle Hill of Summer, by and now I was mad I swung set in Scotland in that endless again and down it came dead stretch of sunny weather lead-centre whack and at the same ing up to the events of August time I let go and the chicken 1914. Gerard, Master of Kildour, is an introspective Catho-lic convert embroiled in an eterhead it dashed across the yard and out in the street and was gone. I never saw a chicken best friend Edmund. The affair move so fast. I guess without the extra weight they can really go."

Timing is all in this sort of writing, and Garrison Keillor's back.

It is a traditional theme, but redeemed by the author's thoughtful approach and close attention to detail. She comes from a titled family herself and Joan Lingard's The Guilty from a titled family herself and Joan Lingard's The Guilty knows the form, even down to Party is a contemporary tale of nuclear protest. Josie, the central figure, has moved from Belfast after her father's death in Nicholas Best

George Watson looks at an attempt to re-interpret the Bible for our time

Holy Writ re-vamped

The editors - one an American Hebraiat, the other a complexity justifying the fascination of 2,000 years of readjoint introduction that Scripers. its truth-content is set aside and the sheer power of its stories left to speak for itself.

Belief, in their view, does not come into it. Fundamentalism is dangerous, they argue, total ing as story. Job does not really repudiation merely barbarous. But the notion that we have as plays go, though some of its only two possibilities here — speeches are magnificent. And believing or not believing - is rightly seen as crude. So they rightly seen as chapters on sin- an editorial wand, or even two sin- books or groups of books wands; the initial claim that the gle books or groups of books wands; the initial claim that the from the Old and New Testa- authors of this book "share a ments from a variety of international hands, some religious and some secular, concluding they write.
with seven general essays — Seen as a whole, the book is with seven general essays including an anthropological piece by Sir Edmund Leach -

THE LITERARY GUIDE TO
THE BIBLE
edited by Robert Alter and
Frank Kermode. Collins,
\$20.00, 678 pages

IS THE Bible literature? Only,
as one contributor to this collection argues, if it is well written. That is a mild instance of a
larger difficulty in guiding people to read Scripture in a literary way. Another notion, surprisingly widespread in
academia, is that with literature it does not much matter
whether it gets things right.

The editors — one an American Hebraiat, the other a
prefixed by Robert Alter and
on the eastern seaboard of the
Mediterranean. Not, on the face
of it, much of a recipe for the
greatest bestseller of the Western world of all times, and the
paradox grows none the easier
when you omit or elide the
issue of content. We are
invited, by contrast, to consider
these writings less as history or
prophecy than for their literapower, viewed at a distance
and through the mediating
linstrument of a translation
mearly four centuries old.
And
judged by that power, the influence of these writings, the editors argue, is "entirely credible"
- narrative refinement and

ing as story. Job does not really hold a candle to Greek tragedy, speeches are magnificent. And biblical scholars do not become literary critics at the wave of common critical language" is not really borne out by what

The same of the sa

shapes of etories. Metre is scarcely considered at all - a surprising omission in a guide devoted to literary values - and it is widely accepted that narrative aesthetic, shapely stories, is what a doubting or unbelieving age like the present

really wants. But does it? As a eecular reader of scripture I have often reader of scripture I have often noticed that my own interest in what the originals mean, and in whether what they mean is true, easily outstrips that of the devout, who are often content to let a much-loved translation like the Authorised Version wash over them consolingly in

It may be rash to suppose that believers care more about truth-content than unbelievers, or that a tradition of narrative criticism that once emanated from Auerbach's *Himesis* (1946), a book composed nearly half a century ago, is the latest thing in narrative analysis. The new Literary Guide is comforting and agreeable. But much of it smells of an arrested sense of modernity and battles long ago. It is bland

William Empson, a critic who thought Judaeo-Christianity dangerous as well as fallacious, would have made savage work, with its resolute refusal to consider what the Bible is asserting. That refusal carries with it the price of introversion, and many contributors seem to talk capricious in its emphases and to themselves, or one another, unrelated in its arguments, and rather than to the world of piece by Sir Edmund Leach — and a glossary of biblical and literary terms. The whole, strictly for convenience, is based on the Authorised Vereion of 1611.

The literary terms are the whole, some of its contributors, espement, and yet, among the whiffs cally those who write on the history-books of the Old Testament, sound tired and painstak write as if aware that nothing ing as if they had been told off trivalizes an intellectual activated and painstak are the sound tired and painstak are the whiffs of old formalism that prevail the whiffs are the sound tired and painstak are the sound tin the sound tired and tired and tired and tired and tired and tir



Pauperum" c. 1460, edited by Avril Henry (Scolar Press. £42.50, 178 pages)

STRANGLING MAN by Alan Hunter. Constable SS.95, 172 pages
THE SECOND TIME IS EASY
by Martin Russell. Collins.
\$9.95, 176 pages

As the editors coolly remark, to do something unnatural The lty so radically as the abandon-the Bible is a small body of writings Hebrew and Greek, which largely means the truth.

HIVIZIZES an intersectual activities of control of the control of

dwindles as the corpses begin to pile up at her gate. Gentiv peers into the psychological nooks and crannles with his usual petience and quiet acumen, and Alan Hunter's feeling for natural surroundings. A sound, satisfying job. Martin Russell is at his best

in the domestic, bourgeois set-tings of The Second Time is MORE KNAVERY among the Easy: philandering supermarket manager, patient wife, underfishermen and villagers of standing mumin-law, perky Detective Superintendent child, neighbours, friends. Murgently's beautiful East Anglian retreat — in Strangling Man

William Weaver

CHESS

WHAT LOOKED like a dull world championship match in Seville, with few memorable games and a long series of draws, exploded into action right at the end. The score was 1.1-11 with two games left when Kasparov totally miscalculated a rook sacrifice and allowed a rook sacrince and anowed Karpov winning counter. Then in game 24 a resilient Kasparov faced a nervous Karpov with a slow, indeterminant formation aiming mainly to put the former champion well behind on the

clock. Kasparov succeeded, and his Kasparov succeeded, and his intuitive pawn satrifice for attack just when Karpov was worried by the approaching time limit swung the game and eventually held the title. However, Shoudown in Swills by Raymond Keene, David Goodman and David Spanier (Batsford, £6.95 paperback) demonstrates that Kasparov miscalculated at move 33 and gave Karpov a clear drawing chance.

The adjourned position in the crucial 24th game was pnblished all round the world, and even grandmasters argued whether it was won for Kasparov would have seen the trap and avoided it. But the episode is an instance of an even grandmasters argued that the crucial succession of the succession of the crucial succession.

whether it was won for Kaspa episode is an instance of an rova extra pawn or could be infortunate trend in top class held by Karpov with reduced chess to resign or agree draws material. Kasparov and his in positions where the conclusides analysed all night but sion is still not easily comprecuid not find a clear win. But hensible to the ordinary playing the Karpov team misjudged the public. If K and K had bothered

king's side advance finally made it sure that Kasparov would stay champion till 1990. The account displayed in the previous column will be familiar to chessplayers who followed the match and its memorable finale, but there is a

quaint poetscript.
Why, exactly, did Karpov give up in the diagram above? The Batsford authors simply state that White's bisbop reaches K4 and starts consum-ing black pawns. A US Chess Federation release points ont that Karpov could still bave tried for a stalemate trap: 64...QQ4 ch; 65 B-B3, Q-B4; 66 B-K4, Q-B6 when 67 BxP?? allows NxB; 68 QxN, Q-B6 cht and draws.

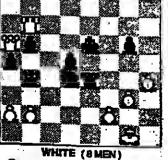
could not find a clear win. But hensible to the Karpov team misjudged the public. If K and K had bothered position, and his weakening to play out those few moves, they would have given added pleasure to millions of average patzers, vividly demonstrated the charm of traps in lost positions, and thus done something average popularise the game.

extra to popularise the game.

An even more glaring case of an aborted fluish, which hardly any commentators have criti-cised, was game 16 where Kasparov resigned at adjournment, a pawn down with the inferior position, but still a long way from a forced and clear win. As with the three previous Batsford K v R match books, the authors have produced a ar entertaining and readable blend

of game analyses and interest-ing background. One's overall impression is that the Soviet matadors, after more than 120 games, have become too familiar with each other's styles and tricks to produce mutually creative games. Karpov is the favourite for yet another try at the title in 1990, but it is really time for a change and particularly for a Western challenger. And Kasparov's relatively sub-dued performance in Seville will give some encouragement to potential rivals

PROBLEM No. 706



Csom v. Masic, Vrsac 1969. Black (to move) resigned here, seeing no reasonable defence to White'e threat RxP ch winning the queen. A commentator wrote Black surrendered prematurely. He had chances to hold the position. Who was right - the player or the critic?

Solution Page XIX

Leonard Barden

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ملدًا من المعل

Max Loppert hears an unknown masterpiece in Helsinki

Rothschild's Violin

THERE IS a prejudice abroad, widely held and shared, to the effect that neglected or forgottem operas are almost always deservedly neglected or forgotten. It's an understandable prejudice (in our revival-addicted, opera-museum age, where works of the past bulk hugely large in the schedules of opera houses, and those of the present very little, the desire to arrow those schedules with expand those schedules with rarities from the past is quite often not rewarded with success). But it's also an unjustified

prejudice, as the case of Venja-min Fleishman's Rothschild's Wich's must bear out. This won-derful and extraordinary piece, which last weekend was intro-duced into the Helsinki reper-tory of the Finnish National Opera, deserves a moment's reflection; for after encountering this almost unknown oneacter, by a Russian composer wholly unknown to me, I am fully persuaded that it must be recognized, however belatedly, as a fully-fledged small master-piece, and that its introduction to other Western opera houses should be delayed no longer.

The few facts easily gleaned about Fleishman (for whom there is no entry in the New Grove) come from Testimony, the edited memoirs of Shostakovleh. Born at Leningrad in 1913. Fleishman was from 1937. 1913, Fleishman was from 1937. Shostakovich's student at the conservatory there, and made a strong impression on his teacher with his "very sensitive spirit" and gift for writing "sad music." As a volunteer soldier the young man was killed near Leningrad in 1941, leaving and the shaping of its dramatic behind a handful of works, contrasts are achieved with among them an opera com-

of "cheap effects." After Shostakovich's death its championship passed to Gennady Rozhdestvensky, who gave a Moscow concert performance in 1982, and who conducted this Helsinki premiere (he has also recorded the work for Moscow concert performance in 1982, and who conducted this Helsinki premiere (he has also recorded the work for Moscow concert performance in the Finnish performance in the state of the s dlya). The Finnish performances were not the first in the West, but, according to report, those previous (in Duisburg and Lucerne) lacked impact. The impact made by the Finnish National Opera was deep and long-lasting; justice was seen and heard to be done in almost system that impact.

every particular.

Fleishman's own libretto cleaves close to the story, a compact, beautiful tale of small-town musicians, and of small-town musicians, and of the embittered Yakov Ivanov, known as Bronze (baritone), violinist and coffin-maler, who becomes aware of impending death – first that of his neglected wife Marfa (mezzo), and then of his own. Spurred by sight of a gnarled old tree in his back yard, he begins to re-examine the world about him. Shortly before the close he Shortly before the close be decides to hand on his violin to Rothschild (tenor), the Jewish flutist of the band and previ-ously Rothschild's perennial enemy. In a culminating passage of quite remarkable radi-ance he hears Rothschild's playing, and is inspired to see everything with new eyes.

A simple subject, and full of potential folky embarrassments and sticky sentimentalities: these are entirely avoided in Fieishman's music. The score is penetrated with dance rhythms; among them an opera computed in piano score but not that the enlargement of the fully instrumented, and based on Chekhov's short story of the Bronze's glorious concluding



Baritone Esa Rauttunen as Bronze, the violinist and coffinmaker

adds an important dimension to one's knowledge of 20th cen-tury Russian opera.

The production was by Georgy Ansimov of the Bolshoy, in the designs (intelligently and skilfully Chagall-like in patterning) of Anneli Queflander. Everything about it was natural, finent, idiomatic in gesture and timing; the dance was threaded through the action with delightful deftness. Rozhdestvensky's command of Rozhdestvensky'a command of and involvement in the performance was absolute: the pit of the small Helsinki theatre may preclude a proper-sized string complement, but the passionate complement, but the passionate commitment of the playing was ample compensation. As Bronze the baritone Esa Rnuttunen (himself a priest not long ago) was dignified, eloquent in stillness, warm-voiced; Palvi Helkinheimo (Marfa) and Matti Piipponen (Rothschild), who played the violin himself, were no less moving.

The first half of this all-Russian double bill was filled by Prokofiev's early, rather toshy Maddalsna (rediscovered by Radio 3 in 1979). It was rather less aprly staged, but no less well played and sung, with a strikingly handsome and secure-voiced beroine in Maiia on Chekhov's short story of the same name.

Shostakovich, who wrote in a 1942 letter "I would worry if I didn't carry Rothschild's Violia with me wherever I went. I love this work, and I'm uneasy in case it should get lost," completed the scoring the following year. But the work itself gained a first hearing as late as 1960, followed by a first Lemingcad staging in 1968; in Testimony Sbostakovich is recorded as regretting its neglect, and conmending its "wise and Chekhovian" of the Helsinki of of the strings, in the first half of this all-Russian double bill was filled by Prokofiev's early, rather tosky Maddalena (rediscovered by Radio 3 in 1979). It was rather deemed Shostakovian (and certainly the shrill squeal of the flutes and piccolos, the Mahlersper of the strings, indicate the close artistic bond between pupil and teacher in strumenter). But the sense of Fleishman's own natural operatic gift is what one took most artic gift is what one

Handel's Atalanta

mer Opera was in a back garden in Ealing. From there to e staged opera production in front of a capacity audience at St John's is a large step and there is no doubt on this evi-dence that the company's ambi-tions are running ahead of its artistic capabilities in a couple of crucial areas. Nevertheless there were two

Revertneess there were two good reasons for going to see the performance of Handel's Atalanta that they gave on Thursday. One, inevitably, is the work itself, which is packed with music of a originality that one could hardly expect from its stock "shepherds and countil lovers" exterior, while courtly lovers" exterior; while the other was their laudable decision to make the evening a charity event and donate the proceeds to the Great Ormond Street Hospital.

With their likely audience in Lorelle S mind the production team bad sweetened the pill a little. A few arias were excised and one character, the bass Nicandro, celebrete disappeared altogether. But fireworks while these changes were made through

Drama and music alike aimed for a correct baroque style.

dabbling in anthentic Handelian stage gestures (always a dangerous area) and the chamber-sized accompaniment on original instruments under David Robiou was enjoyably lean and spirited. The weak link in the company lies rather with the singers and that is unfortunate in Handel, when it is precisely they who should be in the spot-

The generous acoustics at St John's devour unwary or inex-perienced voices and e couple of the Midsummer Opera cast found themselves on the menu. The most successful was the Irene of Jenny Miller, whose deep, Clara Butt-ish mezzo cut through well in "Come alla tortorella" (what a poetic aria that is), though there was also game volvement from Brenda Meek, a light soprano Atalanta, and Lorelle Skewes as ber lover

The climax of the opera was celebreted with a display of fireworks that blazed brightly through the church windows with sensitivity, there was litwith sensitivity, there was litfrom outside — an Ingenious
tle to be said for bringing in a way of solving the perennial
garrulous old shepberd to tell problem of extravagant
us the story — a noisome intrusion that was quite out of keeping with the rest of Alan Privett's production.

A tricky year ahead

Arts Council in 1988-89. In of them. addition he delivered what arts companies have been pleading for for years - three year budgets, so now everyone can plan Well e lot more paper work, tion increase in basic grant for their future repertoire within Next month the first message 1988-89 can it still expect known guidelines. And just to goes out saying that all the one "incentive" money? Will one prove this is a Thatcherite Government, £5m of the extra cash is to be devoted to "incentive" hundred and slxty directly Arts Council budget be raided funded clients, and the many to supplement the other? Will be to be devoted to "incentive" hundreds more funded through the management consultants

ment has been more generous than anyone anticipated with its Arts Council grant of \$150m, local suthorities are under severe financial pressure and many will cut their arts budgets, bowever minimal, in

budgets, bowever minimal, in an attempt to make ends meet. So the majority will prosper; a vocal minority will suffer. Already two Liverpool theatres, the Everyman and the Playhouse, have heard that their Arts Council grants for 1988-89 may actually be cut. This is no reflection on the I 1988-89 may actually be cut. This is no reflection on the quality of their productions, just of the Arts Council's disapproval of Liverpool City Council, and other Merseyside local authorities, who have failed to match its funding levels. The Arts Council's tough new attitude is that it will not know them. Arts Council's tough new atti-tude is that it will not keep the arts going in urban areas unless the local authorities play their part, too. Last year it was Bris-tol Old Vic that suffersd a \$70,000 cut in grant as the Council attempted to pressure mingy, philistine, Bristol City to raise its contribution to the to raise its contribution to the theatre. This year the first skir-

polem of extravagant que endings and a far per idea, I suspect, than lel's spectacular original heosis.

Alteredy announced substantial added to a theatre or concert resources should go to job reductions in arts funding, hall; or plans devised to completely puterise the box office; or a ectivities in Tower Hamlets, and the money available for the merchandising drive assembled; Toxteth, and Handsworth it is Shaw Theatre, and although, as or a subscription scheme develever, last minute changes of oped, an arts group can expect get through 1988 without both-heart will reduce the damage, undoubtedly this will be the cash, up to \$200,000, on the reporters one jot.

out to be the hero and produced cil has made it clear it has not efforts.

10 per cent more cash for the the resources to ball out many There

arts edministrator expect in 1988 from the Arts Council? funding, a reword for arts their Regional Arts Associabeling hired to run pilot schemes organisations that improve tions, will receive, in the short in the summer know enough their efficiency by raising their term, their 1987-88 grant for about the arts to be worth their

> The government has come up trumps and produced more money for the arts, but there are still many pitfalls for the unwary. Antony Thorncroft reports

thing.
As soon as arts groups have as soon as arts groups have south Bank Centre, spun or submitted their justifications from the Arts Council to perfor basic funding to the Arts form as an autonomous unit, should be in a position to conclude a deal which sets up make their case for a slice of the £5m now in the kitty for "incentive" funding. It is clear in a better state than ever in the tables have the set than ever in the part there will still be the mish will take place in Liverpool. Mr Luke Rittner, secretary general of the Arts
Council, goes there next month
for some gentle arm twisting
and it is hoped he will squeeze
more cash from the local
authorities. If he fails two worthy theatre companies face a
lower gentle and dediet of safe
lower gentle and by September at the latest, conclude a deal which sets up
make their case for a slice of
the £5m now in the kitty for
But if the arts generally are
in a better state than ever in
that plans by arts companies to
the past there will still be the
raise extra cash by developing
individuel companies, espebusiness sponsorship will not
cially in the inner cities, thet
be regarded as a qualification
face a bleak future. They can
for e grant, the Arts Council is
lower grant, and e diet of safe
lower grant and e diet of safe

IN THEORY everything is won- year for many inner city arts basis of one pound from the derful. The Minister for the groups in which the party, Arts, Mr Richard Luce, turned finally, is over. The Arts Counpany raises through its own

There are still many grey areas. What if the scheme fails: But what can the average can the Arts Council really ask for its money back? If an arts group gets a lower than inflatheir efficiency by raising their money making potential.

In practice 1988 will be freeze. As soon as they submit labour under so much addianother tricky year for the tothe Arts Council their three tional paperwork? Rather surarts. Indeed there might be year plans the Council can more than the usual crop of decide their subsidy nor only bureaucracy, there are hopeful headlines about this theatre company in danger of closure, subsequent years. Some groups and that ballet troupe forced to disband. For while the Government has been more generous than anyone anticipated with ment in a drama touring com-pany which should be on the road by the autumn. What with Peter Hall's move into the commercial theatre, which will include touring, and the English Shakespeare Company now well established, all those spanking new provincial theatres, like the Theatre Royal in Nowcastle, the Albambra in Newcastle, the Alhambra in Bradford, and the Meyflower in Southampton will be well filled. This could be the year when

the regions receive another boost, with Birmingham, which appreciates what higher arts spending can do for local regeneration, likely to be the new home for Sadler's Wells Royal Ballet. There will be more opera performances in the provinces, thouls to the extra towing will get more; and some will get cash. In London the Royal less, Everyone should get somestronger leadership, and the South Bank Centre, spun off

lower grant, and e diet of safe, populist, plays.

London is the other area cation for Business Sponsor- its lobbying towards Mr Kenwich can expect a series of "arts under threat" scares, Boroughs like Camden heve already announced substantial added to a theatre or concert resources should go to job to the resources should go to job hells or plays deviced to core.

Gershwin revisited

RECORDINGS OF the music of George Gershwin have been made fairly continuously since his death from a brain tumour the age of 38 in 1987. His cast of Primrose in London in reputation has not remained static during that time however. You can see the change and the see that the however. You can see the change and Leslie Henson, but it does not include the overture. Now I get this overture with those of standing in the musical world by comparing the discs, Ella Fitzgerald Sings the George and Ira Gershwin Song Book (Verve 1959, still available) where the music was arranged and conducted by Nelson Riddle, and the whole masterminded by the jazz impresario Norman Granz, with Kirl Sings and was one of the concerts and recitals given to mark the 50th anniversary of his work. At that time it was not uncommon for a musical show to be orchestrated by someone

certs and recitals given to mark the orchestration of Gershwin's the 50th anniversary of his death.

The conductor John McGlinn, working with an American band has returned to the original orchestrations, not all of them by Gershwin. He has rediscovered one song, "Meadow Serenade," thought to be lost, which has never been recorded before. This is a stylish, lively record that must have made an ideal Christmas present. The question does remain: is it really Gershwin?

These songs have their origin on Broadway in the context of pre-war American musical comedy. The irony is crucial. ("He's a big affair/ Haven't met him yet"). When sung by an operatic soprano such as Dame Kiri (or a mezzo such as the American Joan Morris, with piano accompaniment on the 1978 Nonsuch record) they suffer from what I can only call an excess of respectability. Glad as I am to add this elegant record to my Gershwin collection, I confess to a vulgar preference for, say, Liza Minuelli belting out "The Man I Love" or Gertie Lawrence, its first interpreter, wringing both humour and pathos ont of "Someone To Watch Over Me".

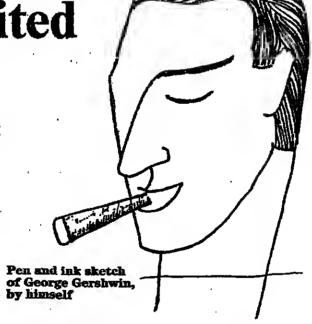
The music and texts of several lost Gershwin songs and orchestral works have recently been recovered. Indeed an era of Gershwin musicology and measured by a daymed with ne does when it comes to the original part on one piano and the solo piano on the other. It was thus have been recovered to my deribute of the original first performance at the Acolian Hall, New York, in 1924. Later Groffe made a version for a full symphony orchestra it is this version we usually hear, on such discs as Gershwin's Greatest Hits (CBS Harmony) where it is played by the Columbia Symphony orchestra with Leonard Bernstein.

Now suddenly we have two recordings to compare of the original fiast band version—one from Andrew Littion conducting and playing the plano with the Los Angeles Philharmonic. Both are strong confident interpretations sensitive to the composer's frequent the down of the original part of the original part of the original part of

3

been recovered. Indeed an era gear-changes and glissandi. To of Gershwin musicology and my ear, Tilson Thomas just has research has dawned with the edge when it comes to the exciting repercussions in the authentic Gershwin sound. exciting repercussions in the recording studio and concert hall. With the blessing of the scoop in his second item, the late Ira Gershwin, George's Songbook, by which be means brother and lyricist, scholarly not the assembly of numbers performers have combed the Gershwin Collection in the Library of Congress and the additional material (including down improvisations he perthe orchestral scores for the shows Typ-Toes. Primross and parties. Blanchine commis-

shows Tip-Tost, Primross and parties. Blanchine commissioned the American composer, other day in Warner Bros music warehouse in Seacaucus, New Jersey.



Rhapsody in Blue and other works. Michael Tilson Thomas and The Los Angeles Philharmonic. CBS MK 39699

his uncles who played his music incessantly. He has recovered win revival still has plenty of and recorded the lost orchestral steam. As the master nearly warenouse in Seacaucus, New as a full-length score, resulting parts of the Second Rhapsody and the ballet Who Cares? first John McGhm has made use performed by the New York which began life as film music of this in his selection of Gershwin McGhm has made use performed by the New York which began life as film music of this in his selection of Gershwin McGhm has resuscitated and is full of those mimetic and is full of those mimetic effects, a train leaving a statem. Anthony Curtis

Rhapsody in Blne and other works. Michael Tilson Thomas and The Los Angeles Philharmonic CBS MK 39699

Of Thee I Sing/ Let Them Eat Cake

The Brooklyn Academy of Music presents Michael Tilson Thomas (conductor) New York Choral Artists, Orchestra of St Luke's with Maureen McGovern, Larry Kert and Jack Gilford, CBS F2M 42522

The Brooklyn Academy of Music presents Michael Tilson Thomas (conductor) New York Choral Artists, Orchestra of St Luke's with Maureen McGovern, Larry Kert and Jack Gilford, CBS F2M 42522

The Brooklyn Academy of rescued from oblivion. These two related shows stand roughly half way between Hests by Rob Gittins, an everyday day thriller about drugs, murder and policemen in trouble, and the late glories of Porgy and Bess. The first, in which an American Presidential contest to denote my surprise or simply my delight. On long-wave you have the Natural History Programme, but you can hear that repeated on Sunday. The Saturday-Night Thestre was a pley celled Miss High Hests by Rob Gittins, an everyday thriller about drugs, murder and policemen in trouble, and the late glories of Porgy and Bess. The first, in which an American Presidential contest to contest the Single Market Cake

The Brooklyn Academy of rescued from oblivion. These two related shows stand roughly half way between Gershwin's early British, Guy Bolton P.G. Wodehouse period and the late glories of Porgy and Bess. The first, in which and the late glories of Porgy (on radio, anyway). It was becomes muddled with a Jack Gilford, CBS F2M 42522

and Bess. The first, in which an American Presidential contest becomes muddled with a becomes muddled with a Beauty Contest, was a hit; the second where a totalitarian regime threatens this cloud-cuckoo-land was not. You go in a cuckoo-land was not. You go in at one end heavily reminded of Gilbert and Sullivan and come out the other thinking of Son-dheim. Numbers like "Love is Sweeping The Country", "Some Gilbert and Sullivan and come out the other thinking of Son-dheim. Numbers like "Love is Sweeping The Country", "Some Gilbert and "No Comprenez, No Capisb, No Versteh" well deserve such and as a boy Thomas breathed the Gershwin atmosphere from his uncles who played his music records prove that the Gershrecords prove that the Gersh-

The Magician's Nephew casts its spell

MORE EXCITING than any thriller on Radio 4's Saturday-garet Howard, is that a peer on Night Theatre was the broadcast for schools at 10.20 am on Thursday, Brian Sibley's adaptation of CS Lawrick Tales of CS cast for schools at 10.20 am on Thursday, Brian Sibley's adaptation of C.S.Lewis's Tales of Nnrnia. This is going out in 10 parts, the first five as The Magician's Nephew, the second Byron, culminating in a production of Manfred with the Schuman incidental music. This Transmission is on File calc. Transmission is on FM only. I suppose I ought to have read these stories before, but they were published at the wrong time of my life, and Lewis's semi-religious SP was as near

as I got. In the first instalment, a boy Kirl Sings Gershwin

Dame Kirl Te Kanawa with
John McGlinn (conductor)
and The New Princess Theater Orchestra.

John McGlinn and The New Princess Theater Orchestra.

John McGlinn and The New Princess Theater Orchestra.

John McGlinn and The New Princess Theater Orchestra.

EMI 7 47977 2

Gershwin Gold

Rhapsody in Blue and The Gershwin Songbook. Andrew Litton (piano/conductor) and The Royal Philharmonic Orchestra RPO 8008

Gershwin 1920s and 1930s

Rhapsody in Blue and other works. Michael Tilson

Kirl Sings Gershwin bloved to include and Thomas brings out to the full. He has a number wont to the full. He has a number work to an unknown world, from which they proceed to another world before coming home in case they are late for tea. The story is partly narrated by Robert Eddiaon as the boy grown-up, but mostly played in dialogue with Simeon Pearl as Digory the boy, Rowena Snaith as Polly the girl and Maurice Denham as the uncle-magician, all of them very likeable indeed. The director is Geoff Marshall-Taylor. Half of the notes I took were followed by exclamation-marks to denote my surprise or simply my

in Their Lordships' House when an occasion arises. Lady Emma Curzon, sister of Lord Howe, has been a nursing sister. Tonight you may hear about Anthony Curtis

the motor-engineering (and driving) abilities of the Duke of Hamilton. The snag with this

Byron, culminating in a produc-tion of Manfred with the Schu-mann incidental music. This will star Ronald Pickup, whose readings from Don Juan have been repeated at intervals throughout the past fortnight. A middle-class family of interest was the subject of Sis-ters to Fame (Radio 4, Tues-day), devised by Susan Hill. The four sisters Mecdonald, daughters of a Methodist minis-ter, married Burne-Jones, Edward Poynter and the respective fathers of Stanley Baldwin and Rudyard Kipling, and they wave frequent food Baldwin and Rudyard Kipling, and they wrote frequent, good letters to one another. Agnes was rather neglected by Poynter, who was busy becoming PRI. Louisa felt lonely at the Baldwin home in Worcester. Young Rudyard Kipling, whose parents went to India and left him in unsympathetic hands. him in unsympathetic hands, stayed with Georgina and the Burne-Joneses every December (where he could have met Wilde). It was interesting to hear of his "screaming ill-tem-per" and the "lawless" ways of himself and his sister.

Radio 4, with whom I have spent almost all the week, is giving a series of short stories, Caribbean Drift, about black experience in Britain. I heard Sunday School by Ruel White, born in Montserrat, brought up in England. Mr White read his own story, and I found, as always, a special pleasure in hearing a black voice tell of black life in an English provincial accent. Racist of me, no

B.A. Young

Chess No. 706.

Both were wrong. Black wins by 1. R-KS ch and if 2 K-N2. by 1...E-K8 ch and if 2 K-N2, N-B3; 3 RxP, Q-K5 ch; 4 P-B3, Q-B7 ch; 5 K-R3, R-R8 ch; 6 K-N4, Q-B4 mate, if 2 K-R2, N-B6 ch; 3 K-N2, R-N8 ch; 4 K-R3 (KxN, Q-K5 mate), R-R8 ch; 5 K-N2, R-R7 ch; 6 K-B1, Q-K8 mate.

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WEEKEND FT

SPORT

Tennis/John Barrett

Australia set fair for advance

THE WHOLE of sporting Australia coasts about it. The houses the five indoor courts, 100,000 paying customers who used for practice this year, have say in it this first week there are 18 additional courts. have enthused about it. The all with Scodlights. These will bordes of overseds visitors in necome the practice courts town for the ASE.Tm Ford Auswhen the site extends across tralian Open are knocked out adjacent railway sidings to proby it. Even the seaguifs who sit on the cago of the vast 700-ton sading roof with their chests of the general public. The puffel out seem proud of it. purfed our seem proud of in glass-sided centre court outling. All strains of the curve and price majestically, a low, wide. Adstrain's new Af80 million curving symmetry of gruy and National Tennis Centre in Flinders Park. Melbourne has caused quite a stir - even from the Yarra River. It is situation to the corps of journalists who triavel the international directions of the railway tracks from the side of the railway tracks from the courts of the cuty and the other side of the railway tracks from ryon. Side of the runway tracks from When a light drizzle caused the Melocume Cricket Ground.

the roof to be closed on Pues-day night, shortly before the start of play - a tedious L5-minute operation this - it meant that Etsuko inoue of Japun would become the first player to win an indoor match in a Grand Slam Championship. She beat the promising Crech Cirl Jana Nevotna T-c, 6-4. For the record Mars Wilander, the No.7 seed from Sweden, was

which constructed it in 23 merchs, the NTC Trust which controls overall policy. Tennis Australia which manages it, the unions engaged in various aspects of construction and operation, all have co-operated

court that will double as an entertainment centre during the commander of the year - it is air-conditioned when closed -there is a no.1 court that seats 6.000 speciators and a no.2 court where 3,000 can sit comfortably in individual, moulded seats. Having sampled the views from various parts of all three stadiums I am more than ever impressed. The sight lines are perfect. It is a joy to watch the play from any vantage

Around the court, at a lower level, there are dressing rooms, offices, and restaurants for all the groups concerned in the running of a major champion-

ship.

Before the tournament began no-one was sure how the play-ers would react to the new Rebound Ace court surface and the Korean-made Nassau ball the record Mars Wilander, the No.2 seed from Sweden, was the first male winner indoors when he beat Richey Beneberg, the Association of Tennis Professionals' Newcomer of the Year for 1987, 7-3, 6-1, 6-3.

Without doubt the NTC is a magnificent concept that has been executed brilliantly. Brian Tobin, the President of Tennis Australia, has been the motivator who has pulled the strands together over the past five years. The government of Victoria which has funded it, architects Peddle Thorp and Learmonth. Civic and Civic which constructed it in C3 seems to be inconsistent company to the ball seems to be inconsistent company.

The problem with the bail seems to be inconsistent compression. Several have been thrown out on that score. The encessive fluffing-up of the cover which Pat Cush com-plained about in practice does not seem to have worried other

to provide Melbourne with players, what is simply the world's finest tenns facility.

Basides the 15/100 sept centre has handled the apartheid demonstrature (protesting about his son's appearance in the Johannespurg tournament last November' has astonished everyone. Cash has enough pressure to face as the reigning Wimbledon champion of whom

8 Barren place of confinement for battery (3-4) 14 Made ready for the night? (9)

bridge (7)
20 His seat is a put-up job (7)
22 Some notes of Erasmus! col-

23 Nobody's record (5)
24 Strombol's sixth and final eruption (5)

Solution to Pazzle No.6,530

Mrs E. Trout, South Croydon, Surrey: Dr A.D. Hoffmann, Dev-izes, Wiltshire; Mr Louis Bas-

cour, Brussels, Belgium; Mr R.H. Lowres, Brenchley, Kent; Mr A.W. Yates. Petts Wood,

FINANCIAL TIMES

16 Air T-shirt incorrectly trouble could result (9)

lected (5)

17 Red port for Michael? (9) 18 Breathing space below the



Pat Cash: has enough on his plate as reigning Wimbledon champion without political worries

wide in the McDonalds scheme masterminded by former champion John Newcombe - have Lundgren of Sweden B-1, 6-3, brought a new wave of confi- 6-3.

years seven Australian men Italian who so embarrassed went through to the third Lendl at Wimbledon last year, round of the singles: Cash, was equally impressive. Perseeded 5: Paul McNamee, who haps, at last, the former World Cash beat yesterday to mark his retirement from the profes-sional tour: Wally Masur, who signal tour: Wally Masur, who Stoltenberg is the present reached the semi-finals last World Junior Champion and, year after bearing Boris Becker like his victim in the second absent, injured this time); John Frawley: Mark Kratzmann; Mark Woodforde and Jason

Cash's Wimbledon win and a in the game. Frawley, a stocky well-planned development pro-gramme - 400 squads nation-wide in the McDonalds scheme immensely impressive in put-

Kratzmann's 4-6.6-3.6-1.6-2 For the first time for some demolition of Paolo Cane, the Junior Champion will begin to fulfil! his undoubted potential. round Todd Woodbridge (who is also his doubles partner), Jason is showing the benefit of so much is expected here, without the added worries surrounding this political issue.
On the court there is an
unmistakable feeling that, at
last. Australian men's tennis is
on the rise. The combined
offects of the new facility.

Mark woodlorde and Jason
Jason is showing the benefit of two years at the Australian that year-old Argentinian who is not
lastitute of Sport in Canberra
Woodforde, a 22-year-old
although Cash is the only one
left-hander from Adelaide who
lis coached by Barry Phillipsming the title, there are some
left-hander from Adelaide who
lis coached by Barry Phillipsming the benefit of
two years at the Australian
hastitute of Sport in Canberra
Woodforde, a 22-year-old
left-hander from Adelaide who
lis coached by Barry Phillipsming the title, there are some
indicates of the new facility.

little more bite, as tournament favourite Ivan Lend) proved yesterday. Increasingly, it is clear that this surface is made for Lendl's powerful game. The bounce is fast enough and high enough for him to make his winners but slow enough for him to reach all but the fiercest drives. Since he is the hardest hitter in men's tennis that suits

Defending champion Stefan Edberg of Sweden. who is ranked no.2 in the world behind Lendl, had three of his favourte rackets stolen from the stringer's room in mid-week. This misfortune may affect him more than it should for he is not timing the ball well yet and is not kicking the ball as high on his second coming as on his second service as we

thought he would.

However, Edberg's compatriot Mats Wilander, the no.3 seed who is in the same half, is looking increasingly sharp. With his semi-Western forehand and his much-improved backhand slice that he uses as an alternative to his lethal two-hander, he can deal with the high bounce most effectively. He is moving well and serving particularly well, too, and therefore is able to exploit the new conditions better than

most.
The conditions are equally suitable for the top-seeded woman, Steffi Graf. The bullets that the 18-year-old West German is firing on the forehand side will surely mow down everything in their path. She has chosen to miss the last two Australian Championships and had a damaged thumb the last time she played here, in 1984, when she lost in the third round to Wendy Turnbull. How-ever, then she was merely a promising 16-year-old. Now she is the World Champlon.

Although Miss Navratilova did achieve one of her two victories over Steffl on similar courts in the US Open final last September, the young West Ger-man was not well that day and did not produce her best form. Martina is talking herself back into a winning mood after her November defeat at the hands of Gabriela Sabatini, the 17-year-old Argentinian who is not

TELEVISION AND RADIO

Soccer/Brian Bolien

SOCCER'S CUP runneth over. Already this month we have seen the FA Cup, the FA Sun-day Cup, the FA Youth Cup and the Scottish Cup. Still to come are games in the Littlewoods Cup, the FA Trophy and the FA County Youth Cup. March sees the resumption of hostilities between European clubs, and May the Rous Cup, invented to confer an air of importance on the meaningless and dreadfully boring annual joust between Scotland and England.

June brings the European Nations Championships. Confronting each other in Group Two will be the British Isles' two teams, much-improved England and the multinational Republic of Iraland more Republic of Ireland, more renowned for its inventiveness with genealogies than its foot-balling success. The joke is that bailing success. The joke is that the letters FAI stand not for Football Association of Ireland, but for Find Another Irishman. Notable finds in recent years include Lancastrian Mark Lawrenson. Scouser John Aldridge, Glaswegian Ray Houghton, and West Ham-born Chrishughton. Their manager. Jack Hughton. Their manager, Jack Charlton, has little trace of a brogue either. Real Irishmen like Davio O'Leary can hardly

get a look in.

Perhaps the most over-used cliches in the English language relate to the FA cup. For a while at least, the everyday scramble for league points can be forgotten, and the lowliest can dream of defeating their betters. Club treasurers, too, the competition in a way which dream of profiting handsomely from a cup run. But "the magic of the cup" was conspicuous by its absence last Saturday. There were no genuine shock results and only Sutton Utd kept the non-league flag flying, by drawing at home to Middlesbrough, before losing 1-0 in the replay.

Before the third round the competition of a way which the competition of the

before losing 1-0 in the replay.

Before the third round matches, and the two games it required to beat second division. Stoke by a single goal, Liverpool were firmly installed as favourites to lift the cup, and become the first club to do the league and cup double. This looks premature. The Anfield machine will probably continue to sweep all before it in the league. But the cup sprint requires a different approach requires a different approach to the league marathon. Patience matters less than passion, artistry less than adrena-

the hands of neighbours Ever-ton, in the third round of the Littlewoods Cup, the first sud- be decisive.



The cup runneth

over

the competition in a way which suggests the new team is not yet a cup winning side. Even before the winter's sport gets

of England's "mindless minor-ity" of hooligan fans, Only the most insane would attempt to run arnok in Poland or Albania, only the wealthiest could get Liverpool have a splendld drunk enough in Sweden to record in two-legged cup matches, but seem to lose their way slightly in oldfashioned one-off cup ties. Their only defeat so far this season was at the hard of priching points at home. In a grown where only the Winner where to the drunk enough in Sweden to cause trouble. England have drunk enough in Sweden to cause trouble enoug group where only the winner qualifies as of right, that could

The creat levelling out at international level continueand neither Sweden nor Boiling and nomine sagger, not found should be regarded as a purpower. Poor Wales have crown the short straw yet near, morning in a group which includes West Germany, who have never missed the final stages such as and have reached the final five times, winning two-and Holland, runners-up in 1974 and 1978. Wales, on their track record, will probably perform heroics in taking position of those two, only to been it against Finland.

dark Charlton is philosophi-cal about the draw, in which the Republic of Iroland were seeded as a fourth class nation. We were going to have tough teams whatever group we got he says. This gives us as good a chance as any. We're not at alt unhappy, especially in a group of five.

Tit'll be the tightest group Hungary and Spain and North-ern Ireland are all capable of getting results against the another. I can't really see anyone running away with t. except us."

Scotland's national coven Andy Rewburgh is anxious 't correct the assumption that Scotland's group an easy one " think the draw's good is that we're going to places which don't involve us in exceptional weather, travel or publical dif-ficulties," he emplains.

"We're also happy that the draw gives us an even chanthat. France and Yugoslavia and Norway to a lesser extern will all feel they have a man.e. Being in a five-team droup means things are very straight-forward. If you're second you're in. The whole thing is in our hands.

Scotland's reputation recovering from the disasters of the European Nations qualifying matches. Selection remains inconsistent, not by choice full by circumstances, and this affects performance. "On our day we're cupable of praying against the best," says Eanburgh, "We were the first team to win in Bulgaria for five years, and we boat Belgium World Cup semi-finalists, but we can also lose to the worst

There are other very :... ented players in the pipelin-but whether they will mature quickly enough for this cam-paign is another question. The French had too many superstars who grew old evernight. We're in exactly the same boat."

FT CROSSWORD No.6.531

SET SY DINIMUTZ Prizes of \$10 each for the first five correct solutions opened. Scintions to be received by Wednesday January 27 marked Crossword 5.531 on the envelope, to the Financial Times, 10 Cannon Street, London EC4P 4BY, Solution on Saturday January 30.

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37	-	1						28					

- ACROSS
- 1 Emplosive device, possible danger to earth (T) 5 Having a form, like some bass
- pans (*) 9 Missouri tea or strong coffee
- 10 Mercy! This brew stinks (9) 11 Amerous alliance in which one fails to score (4.5) 12 Church division? (5)
- 13 Moving arm to and (ro (5) 15 Vote against seven at table (9) 18 Set thrown about in this pas-
- \$3\$0 (S) 19 Archers scores? (5) 21 Comprehensive work of high
- seuson, say (5) Pluyer's rarget English
- River Authority (9) 25 Strong train-sets going around
- 26 Spirit of Tess's husband (5) 27 Transparently displaying end-less fortune in vain (7) 28 Colonist who stumps up (7)
- DOWN 1 Good opening by stroller and
- punter (7)
 2 Digger like Clementine's
- 3 Panic among national armed Solution and winners of Puzzle
- forces (5)
 4 X = celibate sort, edgy (9)
 5 Novel from French, she trans-!ates (5)
- 6 Old cat showing broad smile, having swallowed a milk-7 Censures local levies (5)

The Sixth Seminar Plaisterers Hall...

For information please ratum this advantagment, together with your business card, to: Financial Times Conference Organisation Conference Organisas: 2nd Floor 126 Jermyn Street London SWIY 4LJ Altematively, telephone 01-825 2323 telex 27347 FTCONF G Fax: 01-925 2125 City of London 11, 12 & 15 February,

99C1

SATURDAY

SSC1 am Roobarb. 8:25 Saturday Starts Hers. 8:48 Roland's Rat Race. 8:45 Kissylar. 9:30 Going Livel 12:12 pm Weather. 12:15 Grandstand schulding 12:20 Football Focus; 12:45 Ascot Racing, 12:55 News; 1:00 Rugby Undon previous; 1:15 Ascot Racing; 12:55 Sang; 1:45 Ascot Racing; 1:55 Rugby Undon (France v England) and at 3:30 Ireland v Scotland (2nd half), 4:10 Football (elass news); 4:15 Skating (Men's Free European Figure Skating Championahlpo); 4:40 Final Scots.

Figure Skaling Champlona; look; 4:43 Final Scors.
5:05 Naws. 5:15 Regiona) Programmes.
5:20 Roll Herns Carloon Time. 5:45 Jim'a Fix II. 6:20 Hi-De-Hi. 6:50 Bob's Full House.
7:25 The Peul Cenlels Magic Show. 8:10 Bergerac. 9:05 Naws end Sport. 9:20 Cagney end Lacey. 10:10 Carron Confidential.
10:45 Sports Spacial including Football highlights of one of loday's matches). World Carra (second semi-final of the Embassy World Professional Championalis); 12:30 am Men's Free Programme from the European Figure Sketing Championships plus round-up of the real of the day's sporting news.

BBC2

10:45 am Open University. 1:30 pm Made in Chria. 2:00 The Film Club Matines: "The Adventures of Ribbinson Crueca" starring Dan O'Herithy and James Fernandez. 3:25 Espana Viva. 3:50 Imernational Bridge Ctub. 4:20 The Week in the Lords. 5:50 World Oarte. 6:58 Newsview. 7:35 The Human Voces. 8:45 Arbsts and Models. 10:10 The Film Club. "Castaways". 10:13 Film: "Hell in the Pacific" starring Lee Marvin and Tosharo

LCNDON

LCNDON
6:00am TV-am Sisakfast Programme,
9:25 773, 11:00 Terrenawks, 11:30 The
Ricky, 12:00 pm The Fall Guy, 1:00 News,
1:05 LWT News followed by Saint & Greav9id, 1:25 Wreating, 2:15 Consety Cleasic:
Nearest & Dearest, 2:45 for Skaring, 4:46
Results Service, 5:00 News, 5:06 LWT News
1080wed by Watt Disnay Presents.
5:20 Blockbusters, 5:50 The A-Team, 8:45
Catchphrase, 7:15 "Sheens - Quison of the
Jungle", 9:20 News and Sport, 9:35 LWT
Weather, 8:40 Aspel & Company, 12:25 The
World According To Smith & Jones with Met
Smith and Griff Rhys Jones, 10:35 "Sweeney
2" starring John Thaw and Dennis Waterman, 1:00-4:00 Night Network.

†indicates programme in black and white | Mifune, 11:50-1:35 am Film: "The Saga of | Papers Say, 11:00 Mavis On 4, †11:30 Time | Included in the Included in t

ANGUA

CHANNEL 4
9-25 am Old Country, 9:55 Monayapinner,
19:25 Sociland's Story, 19:55 European Figure Skating Chemoionships, 11:35 Denotif
Days, 12:25 pm World of Animation, 1:00
The Other Emerald tels, 12:00 "Gathrel Over
the White House" starring Watts: Hussen,
13:35 "Charley'e Auril" starring Jack Benny,
5:05 Birookside Onmibus, 8:00 Right To
Reply, 8:35 Naws Summary tollowed by
Anne of Green Gables - The Sequel, 8:55
Magic Box, 8:09 South Riding, 10:00 Black
Forest Clinic, 11:50 Sarray Miler, 11:20 em
"Taste of Fear" starring Susan Hampehire,
11:50 "Seven Keys" starring Alan Dothe.

10:00 am Years Ahead, 10:45 What The

Papers Say, 11:90 Mayle On 4, 11:30 Time To Remember, 12:00 pm Scotland's Story, 12:30 Film: "Little Miss Broadway" starring Shirley Temple. 1:55 Rygol Rhyrgwladol (Franc v Lloegr), 3:45 Bert Hardy's World. 5:00 What On Earth is Going On? 6:00 Right To Reply, 6:30 An Idea of Europe, 7:00 Young and Old, 7:30 Newyoddon, 7:50 Filach, 8:20 Awyr Lis. 9:25 Y Mess Chwarse, 16:30 The Golden Grie, 11:50 Berney Miller, 11:2:20 am Film: Taste of Fear. 11:50 Seven Keys".

IBA Regions as London except at the lekewing times:

12:00 pm America's Top Ten LP's of 1987, 12:30 Easy Street, 1:06 Anglia News. 5:05 pm Anglia News, Sport and Westher.

BORDER 12:00 UFO. CENTRAL

11:00 on Pan: "Press For Time" starring Norman Wedom. 12:50 par Cartoon Time. 12:65 am Prisoner Cell Block H. 1:50 The Twilight Zone. 2:45 Rock on Central 2:45 Central News tollowed by Central Jobander '88.

CHANNEL 11:30 as The Greatest American Hero. 12:30 pm Survival of The Fittest. 12:59 Today's Weather. GRAMPIAN

12:00 pm The Greatest American Hero 12:55 Home Cookery Club. 12:55 am Reflec

12:00 pm Streethawk, 2:15 A.L.F. 10:86 Star Movie: Audrey Hepburn in "Blood@ne". 1:30 are Humer, 2:25 America's Top Ten.

12:90 pm A.L.F. 12:30 America's Top Ten-10:55 pm Rupby (Gioucesser v Wasps). 11:50 "Sweeney 2", 1:50 am Sledge Harn-mar. HTV WALES: Same as HTV West

SCOTTISH

11:30 sm America's Top Ten. 12:00 pm (night Rider. 12:30 Terrahawks. 12:55 am TSW

11:30 am The Greatest American Hero 12:25 pm Gus Honeybun's Magle Birthdays 12:39 The South West Week. 2:15 Garden For All. 5:05 Newsport. 5:10 Walt Disney Presents. 12:55 am Postaript. TVS 11:00 am Roxy. 11:30 Greatest Americ ero. 12:30 pmSurvival of The Fittest.

TYNE TEES 11:00 am The Roay. 11:30 "Blondle Takes A Vecation" starring Penny Singleton and orthur Lake. 12:55 am Postry Of The Pec-

ULSTER 11:00 am The Roxy. 11:20 Feature Film:

Rawhide starring Tyrone Power and Susan | the Proms 87, 890 Symptony Orene: Heyward, 1:03 Ulater Newstime, 4:55 Sports Results, 5:03 Ulater Newstime, 5:37 Ulater Newstime, 10:56 Magnum, 11:50 Newhert, 12:15 am Ulater Newstime.

YORKSHIRE 11:00 am The Roxy, 11:30 Small Worder, 12:00 pm The Man From U.N.C.L.E. 12:56

RADIO

BBC RADIO 2

8:00em News.8:06 am David Jacobs. 9:00 Sounds Of The 60s. 10:00 Anne Robinson. Sounds Of The 60s. 10:00 Anne Robinson. 12:00 Genald Harper. 1:02 pm Imman end Friends. 1:30 Sport On 2 including Football, Rugby Union (France v England and Ireland Southard) plus the rest of the day's sporting news; 5:00 Sports Report. 6:00 The Press Gang. 6:20 Julio-Box Saunday Night. 7:00 Beat The Record. 7:30 Gela Concert. 6:30 Sming Sound. 19:00 Martin Kelner. 12:06 am Night Owls with Dave Gelly. 1:00 Alan Dedicoat presents 'Nightride', 3:00-4:00 A Little Night Music.

BBC RADIO 3

7:00 am Morning Concert. 8:30 News. 2:36 Schubert: Pieno Sonata in A (D959) played by Hans Leygraf. 9:15 The Week on 3. 2:30 Saturday Review. 1:00 pm News. 1:05 Bot Singers: Elgar, Veughan Williams, Britten, Delius, Tippett. 2:00 Ronald Leonard (cello) with Gordon Back (plano). 2:45 From

with Rodney Fland I worth) Tota - serving Mucracker Att 2), 3:50 Interval Process 258 Proking Noth Consents Vet. Characterist Plant Plant Bott, excepte 4.15 Clarater and Plant Repeate MCC-2015, 12 and 12 hours Large Source MCC-2015, 12 and 12 hours Bowen 5:50 Jazz Flatton Rodness. 5:45 Center Fourn 9.35 Music for Four Hands 7:30 Tull Interest Except Plant Serving Total Plant Rodness Conducted by Sejawald Kaykan, who take to Mechael Oliver during the interest of the Mechael Rodness Plant Romal Plant Romal Plant Serving Serving 10:18 Camden Jazz Festivsti Concentrations Monks (11:00-11:19) Store Largend Charles Fox discuss Monks a music 12:00-12:05 an News. th Rodney Flyand (water) Taga

SBC RADIO 4

BBC RADIO 3

BSC NADIO 4
7:00 em Today, 9:00 News, 9:05 Sport On
4, 9:30 Breakawsy, 10:00 News; Loose Ends
hosted by Ned Sherric, 11:30 From Ou. Own
Correspondent, 12:00 Morray Bala, 12:25 pm
Best of Sintish, 12:35 Westers 1:50 News,
1:10 Any Cuestions? 1:55 Shipping Foracast, 2:00 News, Second Edition, 2:00 News,
1:00 News, Second Edition, 2:00 News,
4:30 Science New, 5:00 Curtain Call, 5:23
West Ending, 5:50 Shipping Foracast, 3:53
Weather, 5:50 News, Including Sports
Round-Up
9:25 Crizens [9], 7:10 Stop The Weak with

Round-Up 9:25 Crozens (s), 7:16 Stop The Week with Robert Robinson (e),7:45 Saturday Night Theare (s), 2:15 Mustic In Mand (s), 9:50 Feb. To 7en (s), 9:59 Weather, 10:00 News, 10:15 The Seturday Feature: Tobecoo Settare/[s], 10:45 Lord's Osy, 11:00 The B-C Far Snow (s), 11:30 Whose Line is it Anyway? (s), 11:30 Hower Weather.

Sunday

3:55 am Play School. 9:15 Umbreks. 9:39 This is The Day. 10:00 What on Earth? 10:25 Talking Business. 10:50 Telejournal. 11:20 A Vous La France! 11:45 Espana Viva. 12:10 pm See Hear. 12:35 Faming. 12:58 Weather for larmers. 1:00 This Week. Next Wesk. 2:00 Eastenders. 3:00 "Across The Great Ohide".

2:00 Eastenders, 3:00 "Across The Great Ohylod".

4:40 The Flintstones, 5:05 Fax, 5:30 Antiques Roadshow, 8:15 Liteline, 9:25 Nows, 8:40 Songs Of Prase, 7:15 At Creaturas Great and Small, 8:10 Wicker's World, 9:00 Nows, 9:15 That a Life 10:50 Life Without George, 10:30 Everymen, 11:10 Sporting Chance, 11:40 The Sky At Night.

SEC2

9:30 am Now On Two. 9:35 Janosch's Story Time 10:00 Odysseus: The Greatest Hero of Them As. 10:15 The Charles Brown and Snoopy Show. 10:35 Now It's You. 10:40 Blue Peter Omnibus. 11:30 White Peak Farm. 12:00 Winchill. 1:00 pm Oessardy and Mustey. 1:10 Horizon. 2:00 Infornational Rugby Special (highlights of yesterlay's matches). 3:00 European Figure Skating Championamps (nighlights). 4:00 Final of the Embessy World Professional Oarle Championship. 6:20 The Money Pro-Oarls Championship, 6:20 The Money Programme.
7:15 Eyes on the Prize, 8:19 Ski Sunday

8:55 Weather to Ski7 9:00 Dio You See...7 9:30 Design Classics (The Coca-Cola Bot-tie). 10:00 Screen Two: Deed Lucky.

11:30-12:05 am Daris (high@ghts). LONDON

LONDON

5:00 am TV-am Breakfasi Programme.

9:25 Wave Up London. 9:35 Fraggie Rock
10:08 713, 10:38 The Advantages of Black
Beauty, 11:00 Medication on Hope. 12:09
Weekland World. 1:00 cm LWT News. 3:05
Police 5, 1:10 Link, 1:30 The Smurfs. 1:45
My Little Pony, 2:00 Encounter. 2:30 Hert Tc
Hart. 3:30 The Good Life Guide Special. 4:30
The Return of the Amelope. 5:00 Dieney
Family Moove: The Parent Trap" (part 1).
6:00 Bullseye 6:30 News. 6:35 LWT News.
8:40 Highway 7:15 Surprise Surprise. 8:15
Wish Mo Luck. 2:15 News. 9:25 LWT News.
9:30 Cray Like A Fews. 10:30 The South
Eank Show, 11:45 Australia 200. 12:45 am
Fun in The Sun, 1:30-3:05 Night Network.

CHANNEL 4

9:25 am Movie Mahai. 10:00 The World The Week. 11:00 Pob's Programme. 11:30 The Waltons. 12:30 pm A.P.B. 1:30 Opens on Four: The Secret Marriage" with English submiss. 14:28 "A Home of Your Own". 3:18

S4C WALES S-00 WALLES
S-00 Walles
S-00 Walles
Week. 11:00 Cartoon Capers. 11:30 The
Wattons. 12:30 pm The Wise Programme.
1:00 Anwyddion Flyrds 1:30 Sam. 1:55 Anne
ol Green Cables - The Sequel. 4:15 Hot
House People. 5:15 The Business Programme. 8:00 International Volleybas. 7:15
VIII Cwec Cwac. 7:20 Newyddion. 7:30
Regisn Hywel Gwyntryn. 8:10 Pobol Y
Cwm 8:40 Dechveu Canu. Dechrau Canmol.
9:10 Hel Straeon. 8:40 St. Elsewhere. †10:35
A Home of Your Own. 11:30 American Footbas.

ISI Regions se London except at the fol-

ANGLIA 1:00 pm Link. 1:15 Bloscope Bygones. 1:20 Anglis News. 1:25 Westher Trends. 1:30 Farming Diary. 2:30 Pilm: The Adven-lures of Bullwring Gottlin' sterring Roddy McDowall, Suzanne Pleshette and Kari Mal-den. 6:35 Anglis News.

1:50 pm Farming Outlook, 1:30 Border News, 1:35 Cartoon Time, 1:45 Link, 2:30 The Adventures of Bushvilip Griffin' staming Roody McDowell, Suzenins Pleensite and Karl Malcen, 11:45 RL Action - Scrumdown.

RORDER

CENTRAL 1:00 pm Central News. 1:05 Central Post.
1:00 here and Now. 2:33 Watt Disney Prasont: "The Adventures of Bullwrup Griffin'
staring Roday McDowal, Suzaine Pessierte Karl Matiden. 0:00 Highway To Heaven.
6:36 Central News. 9:30 Murdor, She Wrosa.
11:45 Prisonal Cell Block H. 12:55 amDonahue. †1:55 Thriller Clessic. "And Woman
Shall Weep" Glarring Rufts Ourning and
Richard O Sultivan. 3:05 Central News Iollowed by Central Jobfinder.

9:25 am Cartoon, 11:06 America's Tob

CHANNEL 9:25 am Today's Weather, 9:28 Starting roint, 1:00 pm Link, 1:15 Les Franceis Chez-Yous, 1:30 Farm Focus,

wed by Central Jobfinder

HTV 8:25 am Speedy and Daity, 1:00 pm West Country Farming followed by Weather for Farmers, 1:30 Cartoon Time, 1:48 Link, 2:30 The Adventures of Sulfwing Griffin starring Roddy McDowall, Suzanne Pleshette and Karl Malden, 5:00 Highway To Heaven, 8:26 HTV News, 11:45 America's Top Ten, 12:15 am Automate, Emigrate or Evaporate - The New Factory.

TSW 1:00 pre Farming News. 1:30 Tightlines. 1:45 Link followed by South West Link. 2:30 "The Adventures of Bullwhip Griffin' starring Roddy McDowall. Suzanne Pleshette and Karl Medden. 5:00 "Parent Trap if" starring layley Miss. 6:35 TSW News. 11:45 The Capton Session (Eric Cleation and Buddy Chartes Reprole Scott at 12:10 and Buddy

TVS

TYNE TEES

News Summary, 5:15 The Business Pro-gramme, 5:00 invernational Volleyball, 7:15 Gatapagoe, 8:15 The Stocks and Sharas Show, 8:45 The Modern World: Ten Great Writers, 18:55 The Blus Lamp' starring Jimmy Hanley, Dirk Boyarde, Peggy Evans and Jack Warner as P.C. Dixon, 11:30 American Football.

Ten. 11:30 Horses For Courses, 1:00 pm. Farming Outlook, 1:30 Carbon Time, 1:40 Law, 2:30 The Parent Trapingent, 3:30 Survival, 4:00 Grampian Sheepdog Trials, 5:00 Scotsport, 11:46 Scrumdown - Leeds v Winnes, 12:45 am Reflections.

9:25 am Cartoon (Speedy and Daffy).1:00 pm Members Only. 1:05 This is Your Right. 1:30 Asp Kas Halt. 1:35 Link. 1:35 Balboard. 2:30 Highway To Heaven, 4:15 Cartoons. 5:00 The Fall Guy. 11:45 RL Action - Scrum-

SCOTTISH 11:90 am The Smurfs, 11:30 Farming Outlook, 1:90 pm The Clan Michael Cavalcade, 1:40 Link, 2:00 Profile, 2:30 "The Parent Trap" (part 1], 3:30 Easy Street, 4:00 Block-busters, 5:00 Scotaport, 11:45 Lare Celt, 11:50 Barbera Dickson at the Royal Albert

Guy at Ronnie Scott's). 12:10 am. Review. 1:06 pm TVS News. 1:06 Link. 1:20 Action 1:30 Farm Focus. 1:57 TVS Weather. 2:36 "The Adventures of Bulwhip Griffin" starring Roddy McDowall, Suzanna Prostette and Karl Malden. 5:30 "The Parent Trag" starring Linday Mills 6:310 A Disea of Exit Starring

9:25 am Heilo Sunday. 1:00 pm Farming Outlook. 1:38 The Smurts. 1:40 Link. 2:30 The Adventures of Bullwirts Griffer staming Roddy McClowall. Suzanne Pleshetto and Karl Malden. 5:00 The Duck Factory. 5:30 Northern Life - Sunday Edition. 11:48 Nine To Five. 12:15 ass Epilogue. 12:25 Jobfinder.



John Swinfield (second left) presents the Stocks and Shares Show on Channel Four tomorrow at 8.15pm

RADIO

BBC RADIO 2

980 KAURU 2
7:30 am Roger Royls says 'Good Morring Sunday', 9:06 Melodies For You. 11:00 Oesmond Carrington. 2:00 pm Banny Green. 3:00 Alan Dal. 4:00 Seranada. 4:00 Sing Something Simple. 5:00 Charrie Chaster. 7:00 The Good Human Guide. 7:30 Operate Nights. 8:30 Sunday Helf-Hour. 9:00 Your Hundred Best Tures. 10:05 Songs from the Shows. 10:05 Richard Num at the plano. 11:00 Sounds of Jazz. 1:00 am Alan Dedicost presents 'Nightride'. 3:08-4:90 A Utile Night Muele.

ULSTER

12:58 pm Ulster Newstime. 1:80 Ask Anne. 1:15 Link. 1:30 Farming Uster. 1:58 Farming Weather. 2:30 The Adventures of Bullwing Griffin' starring Roddy McDowall, Suzenne Pleshette and Karl Masten. 5:00 The Parent Trap'. 8:38 Ulster Newstime. 9:27 Ulster Newstime. 11:45 May. 12:10 am Sports Results. 12:16 Lister Newstime.

1:00 pm Cartoon Time. 1:26 Farming Diary tolowed by Farming Weather and Inshore Weather. 2:20 The Adventures of Bullwhop Griffin' starting Rodoly McDowal. Suzzame Pleasette and Karl Malden. 2:00 The Perent Trap" (part 1) starting Hayley Mills. 11:45 Scrumdown (Laeds v Widnes). 12:45 am Five Minuse. 12:50 Jobfinder.

RSC RADIO 4

SSC RADID 6
7:00 am News 7:10 Sunday Papers 7:15
The Local Network 7:40 Sunday, 8:50 The Week's Good Cause, 8:55 Washer, 9:50
News, 5:10 Sunday Papers, 8:15 Letter now
America, 2:30 Morning Service, 10:15 The Archers, 11:13 News Stand, 11:30 Pick, 21
the Week (s), 12:15 Part Desort Island Discs
(s), 12:55 Washer, 1:30 The World This Weekend, 1:55 Shoping Forecast, 2:00 Gazdener's Question Time, 2:30 Humangtower (s) 3:30 Origina, 4:00 News: Ultims, 7:u.iv, 4:47 Even Further Up The Tyre in a Farmox, 5:00 News: Down Your Way, 6:50 Shipping Forecast, 5:55 Washier, 6:50 News, 6:15 Featler, 6:50 News, 6:50 News, 6:50 News, 6:50 News, 6:50 News,

Shipping Forecast, 5:35 Westher, 5:00 News, 6:15 Feedback (Christopher Dunider are comments about 89C programmes and policies, 5:30 International mastignment 7:00 News, The Maaster (s), 7:30 Fear on 4 (s), 5:00 Bookshelf, 3:30 Never The 5:3me Agam, 8:00 News, Caribbean Drift, 9:15 The Natural History Programme 6:53 Westher, 10:00 News, 10:10 The Surrest Years (s), 11:30 The Voice of the Post Profile of the poet Drame Edith Shreet, and 88C Sound Archive recordings, 11:30 Seede of Feith (s), 12:00-12:15 am News; Westher,

